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# East Europe Report

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4 April 1986

## EAST EUROPE REPORT

### CONTENTS

#### ECONOMY

##### INTERNATIONAL AFFAIRS

USSR-GDR Economists Discuss Management, Planning, Accounting (WIRTSCHAFTSWISSENSCHAFT, No 9, Sep 85) .....	1
Basic Goals Established	1
Noted Economists' Contributions, by Eckard Kuehn, Wolfgang Salecker	5

##### GERMAN DEMOCRATIC REPUBLIC

Economic Developments, Export Structure for Mid-1985 Detailed (AUSSENWIRTSCHAFT, No 42, 16 Oct 85) .....	33
---	----

##### HUNGARY

Conflict of National Economic Goals, Enterprise Plans (NEPSZABADSAG, 22 Feb 86) .....	37
--	----

##### POLAND

New Rules on Technology Transfer, Licensing Procedures (MONITOR POLSKI, No 37, 6 Dec 85) .....	44
---	----

##### ROMANIA

Problems in Trucking Operations Discussed (Mihai Secheli; REVISTA ECONOMICA, 10 Jan 86) .....	58
--	----

## MILITARY

### GERMAN DEMOCRATIC REPUBLIC

- Hardships, Conditions of Naval Duty Reported  
(Jan Flieger; SPORT UND TECHNIK, No 11, Nov 85) ..... 63

### HUNGARY

- Proposal for Mental Health Unit in Hungarian Military  
(Istvan Magyar; HONVEDORVOS, No 4, Oct-Dec 84) ..... 69

## POLITICS

### CZECHOSLOVAKIA

- Strougal Receives Malinowski-Led Polish Sejm Delegation  
(Prague Domestic Service, 14 Mar 86) ..... 85
- Child Drug Addiction Reported on Increase  
(A. Damaskova; VECERNIK, 26 Feb 86) ..... 86
- RUDE PRAVO Views Struggle Against Bribery  
(Prague Domestic Service, 12 Mar 86) ..... 87
- Bus Hijacker Sentenced to 22 Years  
(RUDE PRAVO, 6 Mar 86) ..... 88
- FRG Paper Reports on Economic, Social 'Apathy'  
(DER SPIEGEL, 10 Feb 86) ..... 89
- Briefs
- Youth Union Reshuffle ..... 94
  - New Bratislava Mayor ..... 94
  - New Regional TU Chief ..... 94

### GERMAN DEMOCRATIC REPUBLIC

- Top Scientist Interviewed on Chemical Weapons  
(Karlheinz Lohs Interview; DAS VOLK, 25 Jan 86) ..... 96

### POLAND

- Briefs
- Glemp To Visit France ..... 102
  - Defense Minister Visit ..... 102
  - Arts Union Election ..... 102
  - PZPR, ZSL, SD Joint Action ..... 102
  - Krosno Workers Production ..... 102



Labor Code Amendment Commission	103
Bloc Correspondents, Propaganda Department Meeting	103
DKP Delegation Visit	103
Bulgarian Foreign Minister Stopover	103
Polish-Bulgarian Rural Party Contacts	103
Polish-Bulgarian Art Contacts	103
Pre-Congress Meeting	104
Academy Social Sciences Meeting	104

#### YUGOSLAVIA

Iranian Press Attacks on SFRY Viewed (Belgrade Domestic Service, 13 Mar 86) .....	105
Admiral Mamula Discusses Book on National Defense (Branko Mamula; NARODNA ARMIJA, No 2432, 20 Feb 86) .....	107
Trial Begins for 'Irredentists' in Macedonia (BORBA, 7 Mar 86) .....	120

#### SOCIOLOGY

#### GERMAN DEMOCRATIC REPUBLIC

FRG Document Assesses, Questions 1984 Crime Statistics (INFORMATIONEN, No 3, 14 Feb 86) .....	121
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ECONOMY

INTERNATIONAL AFFAIRS

USSR-GDR ECONOMISTS DISCUSS MANAGEMENT, PLANNING, ACCOUNTING

Basic Goals Established

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 33 No 9, Sep 85 pp 1281-1285

[Report on the Tenth Session of the Joint Commission of GDR and USSR Economists: "Basic Directions for Further Perfecting the System of Management, Planning, and Economic Accounting"]

[Text] The Tenth Session of the Joint Commission of GDR and USSR Economists attached to the academies of science of the USSR and the GDR (USSR/GDR Economists' Commission) on the topic of "Basic Directions for Further Perfecting the System of Management, Planning, and Economic Accounting" took place in Tashkent from 15 to 21 April 1985.

This year's session took place against the background of the 40th anniversary of the victory over Hitler fascism and the liberation of the German people from Nazi rule. For the now 10 years of successful work of the USSR/GDR Economists' Commission, the statement made by Erich Honecker on the occasion of the 40th anniversary of the victory and of the liberation applies that now takes on concrete shape "what was agreed upon in the long-term program of GDR and USSR cooperation in science, technology, and production for the time up to the year 2000. The network of social and personal ties between our countries, of the human friendships deepens more and more in the process. Our relations can be described as vivid proof of how much the good cooperation of socialist states and the fraternal relations among their peoples benefit the social progress in one's own country."<sup>1</sup>

The discussions and talks carried on starting from the resolutions of the Tenth SED Congress and the 26th CPSU Congress as well as the subsequent sessions of the Central Committees of the fraternal parties demonstrated the fundamental agreement of both sides of the commission in all basic questions of management, planning, and economic accounting. These coinciding basic positions were expressed for example, in the following joint statements:

--Further shaping of developed socialism in the USSR and in the GDR objectively requires comprehensive intensification of social production as a decisive prerequisite for the consistent implementation of the economic and social policy of the CPSU and of the SED aimed at the welfare of their peoples.

--The increase in labor productivity is the most important task of the present stage. The system of management, planning, and economic accounting of developed socialism is objectively assessed on how it contributes to the successful achievement of this task of socialist economic management.

--Full utilization of the advantages of the socialist planned economy and perfecting the system of management, planning, and economic accounting on the basis of democratic centralism are a steady process. What is decisive at present in this connection is the full adaptation of the management of the economy to the requirements of the comprehensive intensification of the social production and the raising of the effectiveness of the entire reproduction process, especially to its final result, national income.

--The system of management, planning, and economic accounting must be so developed that the socialist planned economy can flexibly react to the changing reproduction conditions of the eighties. The methods and instruments of socialist economic management therefore must be adapted in time to the newly arising tasks.

--Main link of the comprehensive intensification and the increase of labor productivity is and remains the acceleration of scientific-technical progress. Perfecting management, planning, and stimulation of scientific-technical progress on all management levels therefore has become a central question of the economics of developed socialism. Scientific exchange of opinion and mutual information on the latest experiences and findings in the implementation of the resolutions of the CPSU and the SED for perfecting economic management were based on high mutual trust and proceeded in the tested atmosphere of a friendly and creative exchange of ideas between friendly Marxist-Leninist economists. The avowal of the close alliance between the USSR and the GDR determined content and course of the entire session and endowed it with great political importance.

The Soviet delegation was headed by the chairman of the USSR part of the commission, Prof Dr Y.I. Kapustin, corresponding member of the USSR Academy of Sciences and director of the Institute for Economics of the USSR Academy of Sciences. Other members of the Soviet delegation were: Dr V.N. Kashchin, deputy director of the Institute for Economics of the USSR Academy of Sciences; Dr A.I. Arkhipov, deputy editor in chief of the periodical VOPROSSY EKONOMIKI; Prof Dr A.S. Deryabin, Institute for Economics of the USSR Academy of Sciences; Dr M.A. Deryabina, Institute for Economics of the Socialist World System of the USSR Academy of Sciences; Prof Dr R.N. Yevstigneyev, Institute for Economics of the Socialist World System of the USSR Academy of Sciences; W.M. Segal, scientific secretary for international contacts of the Institute for Economics of the Socialist World System of the USSR Academy of Sciences; Prof Dr I.I. Iskanderov, member of the Academy of Sciences of the Uzbek SSR and secretary of the economics department of the Academy of Sciences of the Uzbek SSR; Prof Dr D.N. Karpukhin, Institute for Economics of the USSR Academy of Sciences; Dr V.L. Kvint, Institute for Economics of the USSR Academy of Sciences; Dr E.I. Kobsar, deputy sub-department director in the USSR State Planning Committee; Prof Dr V.K. Senchagov, department director of the USSR State Planning Committee; Dr A.V. Siginyevich, director of a laboratory of the All-Union Institute for System Research with the State Committee for Science and Technology and with the USSR Academy of Sciences;

Dr A.A. Simonyan, departmental director of the periodical PLANOVYE KHOZAYSTVO; Prof Dr V.G. Starodubrovskiy, deputy director of the International Research Institute for Problems of Management; Dr M.A. Tadzhimuratov, Institute for Economics of the Academy of Sciences of the Uzbek SSR; Prof Dr R.A. Ubaydullayeva, deputy director of the Institute for Economics of the Academy of Sciences of the Uzbek SSR, Prof Dr A. Ch. Chikhmatov, corresponding member of the Academy of Sciences of the Uzbek SSR and director of the Institute for Economics of the Academy of Sciences of the Uzbek SSR; Dr L.I. Zedlin, Institute for Economics of the Socialist World System of the USSR Academy of Sciences; Dr R.I. Shchiryayeva, Institute for Economics of the Socialist World System of the USSR Academy of Sciences; Prof Dr Y.V. Yakovets, Academy of the National Economy with the USSR Council of Ministers; V.F. Vardul, Institute for Economics of the USSR Academy of Sciences, scientific secretary of the USSR part of the commission.

The GDR delegation was headed by the chairman of the GDR part of the commission, Prof Dr Koziolk, member of the GDR Academy of Sciences and director of the Central Institute for Socialist Economic Management with the SED Central Committee. The GDR delegation further included: Prof Dr H. Schieck, vice-president of the GDR Academy of Agricultural Sciences; Dr E. Schmidt, sciences department of the SED Central Committee; Prof Dr H.J. Beyer, Academy for Social Sciences with the SED Central Committee; Prof Dr L. Hummel, Central Institute for Socialist Economic Management with the SED Central Committee; Prof Dr W. Kunz, corresponding member of the GDR Academy of Sciences and deputy director of the Central Institute for Socialist Economic Management with the SED Central Committee; Prof Dr H. Kusicka, director of the Research Agency with the Ministry for Science and Technology; Dr E. Leonhardt, Central Institute for Socialist Economic Management with the SED Central Committee; Prof Dr R. Montag, deputy director of the Economic Research Institute of the State Planning Commission; Prof Dr W. Ostwald, director of the Research Central Office for Territorial Planning with the State Planning Commission; Prof Dr W. Salecker, Central Institute for Socialist Economic Management with the SED Central Committee, scientific secretary of the GDR part of the commission.

The following members of the USSR/GDR Economists' Commission had transmitted their written contributions to the Tenth Session: Prof Dr R.A. Belousov, Academy for Social Sciences with the CPSU Central Committee; Prof Dr B.S. Milner, deputy director of the All-Union Institute for Systems Research with the State Committee for Science and Technology and with the USSR Academy of Sciences; Prof Dr P.A. Skipetrov, first vice-chancellor of the Academy of the National Economy with the USSR Council of Ministers; Prof Dr H. Hanspach, director of the Central Research Institute for Labor with the GDR State Secretariat for Labor and Wages; Prof Dr W. Heinrichs, corresponding member of the GDR Academy of Sciences and director of the Central Institute for Economic Sciences of the GDR Academy of Sciences; and Prof Dr G. Schulz, corresponding member of the GDR Academy of Sciences, Academy for Social Sciences with the SED Central Committee.

The acting president of the Academy of Sciences of the Uzbek SSR, Academy Member E.Y. Yussupov, as well as the director of the department for sciences and universities of the Central Committee of the Communist Party of Uzbekistan, Dr N.T. Tukhliyev, participated as guests in the Tenth Session of the Economists' Commission.

The scientific discussions of problems and the exchange of experiences were preceded by the main lectures of both sides on the following topics:

--"The Socialist Planned Economy in the GDR and its Further Perfecting" (Koziolek, GDR) and

--"Principal Directions of the Further Perfecting of the Management of the USSR National Economy" (Kapustin, USSR)

After the discussion on the main lectures, a total of 22 short lectures (contributions to the discussion) were presented and discussed in the course of the Tenth Session. The contributions to the discussion of the Soviet delegation frequently were determined by experiences and findings which were the result of the implementation of the measures for perfecting the management adopted since early 1984 in a number of ministry areas. They are mainly directed towards testing expansion of the rights of the production associations and enterprises in planning and carrying out the economic activity and towards increasing their responsibility for the results of the work. Important impulses for the discussion were derived from the speech by M.S. Gorbachev on the occasion of his meeting with directors of industrial associations and enterprises, kolkhozes, and sovkhoses, production brigades and with specialists and scientists on 8 April 1985 in the CPSU Central Committee.<sup>2</sup> In this connection, the Soviet participants in the Tenth Session of the Economists' Commission devoted great attention to all problems which are connected with increasing the readiness for performance of the working people. Hereby questions of brigade work, of ways and methods for stimulating high performances and on the development of socialist competition and mass initiatives were especially stressed.

In the contributions of the GDR delegation, of particular interest were especially the latest experiences and findings of the GDR in the determined implementation of the resolution of the Politburo of the SED Central Committee on "Measures for the Further Perfecting of the Management, Planning, and Economic Accounting" of 15 February 1983 and in the steady raising of the economic performance capacity of the combines in industry and construction as well as GDR experiences in the further perfecting of management, planning, and economic accounting in GDR socialist agriculture. The following complexes of question were included in the discussions:

--unity of economic and social policy and guaranteeing it through the national economic plan;

--interrelations between the ministries and the combines on the basis of democratic centralism;

--acceleration of scientific-technical progress and its influence on the replacement of the production [facilities];

--ensuring the unity of science and production in the combines by management and planning as well as the organization of the work with the duties record books;

--guaranteeing the agreement of plan, contract, and balancing and achievement of the balancing responsibility by the combines;

--carrying out performance comparisons among the combines and among the combine plants;

--determination of the contribution of the enterprises to the social funds, its inclusion in the prime costs and the effect of this regulation on the employment of the social working faculties and the economizing of manpower and other questions, especially in connection with the economic responsibility of the centrally managed combines in industry and construction.

The texts of the main lectures of both sides of the commission are published in this issue of WIRTSCHAFTSWISSENSCHAFT. In addition in a further article a survey of important statements in the short lectures (contributions to the discussion) is provided.

Based on the materials and findings of the Tenth Session of the Economists' Commission, a joint monograph on perfecting the system of management, planning, and economic accounting will be published in Berlin and Moscow in 1987.

Not least the excellent working conditions which had been provided by the Academy of Sciences of the Uzbek SSR contributed to the successful work of the Tenth Session of the USSR/GDR Economists' Commission. At the conclusion of the session, the chairmen of both sides of the commission were received by the first secretary of the Communist Party of Uzbekistan, I.B. Usmankhodzhaev for a friendly conversation wherein high tribute was paid to the work of the USSR/GDR Economists' Commission.

Starting from the results of the Tenth Session, the chairmen of both sides of the commission agreed to hold the 11th session of the Joint Commission of the USSR and GDR Economists on the topic of "Tasks and Experiences in the Management, Planning, and Economic Stimulation of Scientific-technical Progress" in the GDR at the end of 1985.

#### FOOTNOTES

1. E. Honecker, "A World Historical Deed Which Also Liberated the German People," EINHEIT, No. 4-5/1985, p 294.
2. Cf. "Meeting in the CPSU Central Committee With Economic Functionaries-- Mikhail Gorbachev Spoke on Economic Tasks," NEUES DEUTSCHLAND of 9 Apr 85 p 5; "Initiative, Organized Action, Effectiveness," speech by M.S. Gorbachev, "New Life" published by PRAVDA of 17 Apr 85, p 2.

#### Noted Economists' Contributions

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 33 No 9, Sep 85 pp 1311-1337

[Report by WIRTSCHAFTSWISSENSCHAFT staff writers Eckard Kuehn and Wolfgang Salecker: "Survey of the Contributions to the Discussion at the Tenth Session of the Joint Commission of the USSR and GDR Economists"]

[Text] In addition to the principal lectures of both sides of the commission, 22 discussion speeches on the topics of the session were presented and discussed

and 6 contributions were noted in their written version. Within the framework of the following survey some of the most significant aspects of the individual contributions are to be brought out.

Senchagov dealt with perfecting management and planning in the present stage of development of the USSR economy. He started from the assumption that in perfecting developed socialism as a historically necessary and extended period in the development of the communist formation raising the effectiveness of the economy plays a decisive role. One of the special features of developed socialism consists in the qualitatively new level of the economic and scientific-technical potential and of the development of the productive forces. Therefore the more effective use of all resources becomes the main direction of the further development of the economy. The further quantitative increase of the production potential must go hand in hand with an increasingly more effective utilization of the already created production potential. The task consists in utilizing the deeper reserves of the Soviet economy, comprehensive utilization of the achievements of scientific-technical progress, economical and careful use of fuel and energy resources as well as other production resources, increasing the role of the machine building complex, consistent orientation of the development of light industry and of the services sphere towards the more complete satisfaction of consumer needs and demand. This task was also the purpose of the recently adopted measures whose essence Senchagov sees in checking, within the framework of the economic plan, possible forms of increasing the independence of the enterprises in determining the ways for raising effectiveness and the satisfaction of consumer needs with simultaneous strengthening of the economic responsibility towards the state for the results of the economic activity. For this purpose the enterprises prepare their plans independently on the basis of the directive indicators and economic norms (of the wage, the economic stimulation funds and others), which become part of the economic plan and are transmitted to the enterprises at the beginning of the planning period as orientation figures. The performance of the enterprises is assessed by the degree of fulfillment of the contractual obligations, of the tasks in the field of new technology and of putting production capacities into operation, the growth of labor productivity, the lowering of prime costs or the increase of the profit. The pay of the persons employed by the enterprises is developed with the aid of economic norms as a function of the rate of growth of production and the improvement of the qualitative indicators. A broad development is experienced by the principle of more products of better quality with less manpower. Effectiveness and functioning of the management and planning system at the same time are connected with the solution of an entire complex of organizational questions:

--Choice of the basic unit of the economy and of the method of coordination of the enterprises and associations in the solution of common problems of the branch or between the branches;

--Clear delineation of the functions of the associations and of the industry ministries;

--Improvement of the coordination of the functional organs of management (USSR State Planning Committee, USSR Ministry for Finance, USSR State Bank, and others), especially for the achievement of the task of creating better conditions for the work of the enterprises and associations;

--Improvement of the entire organizational work in perfecting the management of the economy.

Senchagov pointed out that in the USSR important work is accomplished for the establishment of production associations as a principal link of social production. At present there exist in industry 4000 production associations and 200 science production associations, which produce more than half of the industrial production. Outside the associations there are about 22,000 enterprises, which indicates the necessity to continue the work for the establishment of production associations. The complexity of this work, according to Senchagov, consists in the fact that the organizational association of the enterprises must be preceded by a great deal of work in specialization and cooperation of the production and the search for effective forms of associations which take into account the specifics of the individual branches of industry.

Montag commented on questions of the further perfecting of management, planning, and economic accounting in the GDR. In his introduction he stated that the socialist planned economy has been and continues to be the decisive foundation for the stable and dynamic development of the economy. It has proved itself in the building of the foundations of socialism in the GDR just as much as now in the further shaping of the developed socialist society. The great stability and dynamic by which the development of the socialist planned economy of the GDR has been shaped since the Tenth Party Congress are testimony of how the economic strategy and the decisions for perfecting management, planning, and economic accounting adopted for their implementation have stood the test in practice.

Montag stressed that the intensively expanded reproduction has now become the determining foundation of the economic growth in the GDR that the achieved positive effects of the adopted measures are reflected in the 1984 economic results:

--The dynamics of the growth of performance is increasingly determined by the qualitative results of scientific-technical progress. On this basis it was possible to accelerate the rate of growth of the national income and of labor productivity. In 1984 the growth of national income amounted to 5.5 percent. The decisive share for that was contributed by industry whose net production rose 8.5 percent. In 1984 labor productivity of industry grew 7.7 percent based on net production. Within the economy, 90 percent of the productivity increase was achieved by results from scientific-technical progress.

--Growth of production accompanied by declining energy and material consumption proves to be a characteristic feature of intensification. Thus the consumption of economically important sources of energy, raw materials, and materials per unit of production decreased 5 percent in 1984. In absolute terms, consumption declined 0.7 percent.

--Important tasks for the change of the production and export profile were carried out at an accelerated rate. These tasks include the further increase of the exploitation of domestic raw materials and sources of energy, development of the refining metallurgy and chemistry, shaping of the production profile of the metalworking industry by a significant increase in the production of



microelectronics products, of the construction of one's own means of rationalization as well as of industrial consumer goods.

The economic performances made possible in 1984 new building and modernization of more than 207,000 dwellings, a 4.1 percent increase of retail trade turnover, the increase of real income by 4 percent and other socioeconomic achievements.

For the coming stage, which was initiated with the 1985 Economic Plan, the creation of lasting foundations of the comprehensive intensification over the long range is at stake.

Montag further commented on the tasks of further perfecting management, planning, and economic accounting in the GDR, especially concerning the measures on

- Increasing the economic effectiveness of science and technology by accelerating the production and applying economic accounting in the field of science and technology;

- Raising the qualifications of management, planning, and economic accounting in the field of investments and of reproduction of basic assets;

- Further development of the assessment of the performance of combines and enterprises and on the initial experiences with the new indicators of performance assessment;

- Further raising continuity and flexibility of production;

- Further qualification of balancing;

- Developing of refining concepts in the combines.

Content and organization of planning under the conditions of the transition to the predominantly intensive type of reproduction constituted the subject of the discussion contribution by Yakovets. He established that the transition to the premoninantly intensive type of reproduction in the USSR is the expression of a qualitatively new stage in the development of the productive forces. It is based on the mastery according to plan of the best achievements of the scientific-technical revolution, the achievement of a production structure that is economical in the use of resources as well as a development of the level of qualification of the labor force and changing of the forms of organization of production and its forms of management corresponding to the demands of a technique and technology that is new in principle. As results of these fundamental changes, the marked increase in labor productivity, the improvement of the working conditions, and a considerable increase in the effectiveness of the social reproduction were mentioned.

The transition to the predominantly intensive type of reproduction requires, according to Yakovets, the following changes in the content of planning under the new conditions of economic and social development:

1. Long-term strategic planning gains vital importance. To solve the key problems of the economic, social, scientific, and ecological policy, a planning purview of 15-20 years is necessary. In the USSR the development of a system of planning documents which guarantees such a purview is about to be completed:

the complex program of scientific-technical progress for the period of 20 years, the general system of the distribution of the country's productive forces for the period of 15 years, the principal directions of the economic and social development of the USSR for 10-15 years, long-term complex economic programs of objectives for the period of from 10 to 20 years.

2. Starting point and core of the planning for the economy, the branch of industry and the region will be acceleration of scientific-technical progress, development and comprehensive introduction in production of new generations of technology which embody the highest achievements of the scientific-technical revolution. Only on the basis of new highly effective technology will it be possible to significantly increase the productivity of social labor and the end product per unit of expended resources and to attain a high level of quality and competitiveness of the products. The science and technology plan must occupy a key position within the structure of the economic plan; among other things, it must point the way for the proportions in the distribution of the investments (for which priority is to be given to the requirements of the technical reequipment and reconstruction of existing enterprises), changes of the production structure (with priority to the development of new branches), cadre training, external economic relations.

3. Plan indicators are increasingly more consistently oriented on economic end results. The measures to perfect planning, which have been implemented since 1979, are aimed at the achievement of these goals. Decisive plan indicators are volume, product achievement based on contracts (i.e. satisfaction of concrete needs of enterprises and of the trade, which represents consumer demand) and reduction of product prime costs.

4. What becomes more clearly apparent all the time is the plans' social orientation in which the simultaneous solution of problems of the economic, scientific-technical, and social development is involved. The new stage of the complex automation of production also leads to a qualitative improvement of the working conditions; development of a complex program of objectives for the reduction of the expenditure of manual, physically hard and monotonous labor is nearing completion, which also corresponds to the significantly improved level of qualification of the workers.

Beyer spoke on the subject of perfecting management, planning, and economic accounting in the GDR. He started with the assertion that it has proved especially favorable to have started perfecting management and planning of the economy in the 70's with the formation and strengthening of large combines. Thus, he said, a modern organizational foundation of the economy developed, which opened up new possibilities for adjustment of management, planning, and economic accounting to the demands of intensification. Beyer explained that all concrete steps for the further improvement of the qualifications of management, planning, and economic accounting in the GDR are significantly based on these conceptual considerations. For the 1981 economic plan for the first time the state tasks were centrally prepared not only by the ministries but also by the combines. In this process in 1981 the qualification of management and planning of science and technology signified an important step for deepening the intensification. It was possible to significantly improve central planning of science and technology through the work with state orders.

Of greatest importance for perfecting management and planning has furthermore proved to be the more effective shaping of relations of cooperation among the combines; a new contract law was approved in 1982 for this purpose. With the strengthening of the combines and the increasingly better exercise of their economic responsibility, the conditions were present to adopt in 1983 in the overall economic framework measures for further perfecting management, planning, and economic accounting, which offer new possibilities for the combines and enterprises to react more quickly and more flexibly to the development of the productive forces, the change in demand, and the new standards of intensification. Their concern is strengthening democratic centralism in the sense of a higher quality of central management and planning with simultaneously growing direct responsibility, democratic participation and creative initiative of the collectives of workers in the enterprises and combines.

To direct the economic interests of the combines and enterprises at the qualitatively new stage of intensification is not possible in the case of an in principle priority stimulation of quantity production; in addition to the indicator labor productivity, net production, profit and production of economically important products for consumer supply and for export moved into the focus of preparing and substantiating the plans. Essentially what is involved is the fact that the qualitative indicators in planning achieve greater importance and a high quantitative growth of production combined with better meeting the demand for economically important products more correctly is guaranteed.

An essential key factor in the improved qualification of planning is the improvement of material and financial balancing. Economic reserves can be mobilized to a greater extent with the help of the balances.

Siginyevich discussed the development of economic independence and responsibility of the enterprises in the case of intensive reproduction. To strengthen the position of the basic unit of the socialist economy (of the production associations and enterprises), that means that it is an important concern of the complex work for the perfection of the economic mechanism in the USSR to develop effective forms of economic accounting, to increase the rights of the basic units in the planning process and to strengthen responsibility for the work results. The purpose of the measures directed towards this end is perfecting socialist production conditions, provide wide scope for the development of the productive forces and contribute to the successful solution of the tasks for the acceleration of scientific-technical progress, for intensification and increase of the effectiveness of production in every work collective, in every brigade, in every workplace. Development of appropriate forms and methods for engaging in economic activity is provided for in the resolution of the CPSU Central Committee and of the USSR Council of Ministers of 14 July 1983 "Concerning Additional Measures to Expand the Rights of the Production Associations (Enterprises) of Industry in Planning and Economic Activity and for Strengthening Their Responsibility for Work Results." The steps instituted since 1 January 1984 have shown that the degree of interest and the responsibility of the work collective for improvement of the fundamental economic indicators has increased. Noticeable changes have taken place in the fulfillment of the main indicators of the assessment of performance--volume of the achieved production taking into account adherence to contractual obligations. In the field of perfecting planning, it is planned to considerably strengthen the role of the enterprises in the

preparation of the plan, to increase the role of the 5-year plan and of the economic norms with longer validity as well as reducing the number of obligatory indicators.

Comparison of performance among and within the combines as a fundamental method of political management of economic processes in the GDR was illustrated in the contribution by Salecker. He started with the observation that over 3 million workers, scientists, engineers, and economists are employed in centrally managed GDR combines of industry and construction. Maximum economic performances of these combines and their dynamic development were and are of decisive importance for the continuation of the political course of the main task, approved by the Tenth SED Congress, in its unity of economic and social policy, which requires consistent implementation of the economic strategy of the SED for the eighties. At the Tenth SED Congress the expectation was expressed that the best of these combines will achieve new progress in the development of their economic capacity by the criteria of the eighties. At the same time, what is important is to bring all up to the level of the most successful combines.

In implementing this task of the Tenth SED Congress, the comparison of the economic performances of the combines and the exchange of experience as part of the organized comparisons of performance proved to be a fundamental method of the political management of economic processes, comparisons of performance that are directed towards presenting and assessing the experiences of the best, i.e. of the most successful combines, enterprises and work collectives in the implementation of the economic strategy of the SED and thus to contribute to the achievement of high economic results in greater scope. They are to help advance all participants on the path to maximum productivity and effectiveness. Their basic economic idea can be expressed as follows: Gain in performance by overcoming unjustified differences in performance and making use of the experiences of the best.

With this basic idea of the comparison of performance, an approach demanded already by Lenin is being implemented in the socialist management practice under the conditions of the eighties. All comparisons of performance are aimed at mobilizing performance reserves and at making economic best values the norm of economic activity, i.e. in final analysis making them effective in terms of the plan. Salecker mentioned the following as fundamental prerequisites for this mobilizing effect on all levels of the comparison of performance:

--the politically-ideologically motivated readiness of the management cadres and of the work collectives to compare their own performances with those of others, to confront the findings from the comparison and of the exchange of experience and to make the determined best values the norm of socialist economic activity in their own sphere of responsibility;

--a thorough analytical and organization preparation of the comparison of performance and consistent implementation of the measures resulting from the exchange of experience in one's own area of responsibility.

The comparison of performance oriented on economic best values within the combines and among them as a rule triggers hereby also new impulses for the comparison of performance among the work collectives in intraplant and interplant socialist competition.

For all these comparisons of performance the following three questions which significantly also determine the analytical preparation of the comparison of performance were identified as the principal questions:

1. Where are the differences in performance found, how big are they and where are the best values of performance?
2. Why are there differences in performance, what are their causes?
3. How will it be possible to achieve the best values by all economic units or work collectives included in the comparison?

The economic and political-ideological degree of effectiveness of the performance comparison within the combines and among them essentially depends on the quality of the analytical preparation of the performance comparison.

Deryabin spoke on problems of perfecting the price formation as part of the system of management according to plan. The prices, he said, are one of the most important and most effective instruments for the management of the economy suited to exercising an optimizing effect on the development of economic and branch of industry proportions, on the effective use of all types of resources, on the intensification of social production and finally on the growth of the socioeconomic effectiveness of social production. Therefore the principal task in perfecting price formation according to plan under the present conditions must consist in strengthening the role of the prices in management of the economy according to plan.

Deryabin notes that in recent years there has been a high degree of success in creating a solid scientific foundation for the successful solution of the described problem and in proposing a whole series of concrete practical recommendations for more active utilization of goods-money categories. Thus, e.g., the thesis on the normative character of the plan price, on the decisive importance of prices, of the finances and of credit in guaranteeing dynamic balancing of the material-concrete and value proportions increasingly finds wider recognition. The further approximation of the prices to the socially necessary labor costs makes it possible to use the system of prices and of the other economic instruments as a firm foundation for the development of economic accounting and considerably increases the role of the prices in the economic stimulation of scientific-technical progress and optimization of the economy.

Starodubrovskiy spoke on experiences and problems in perfecting the management of the economy of the CEMA member countries under the conditions of the intensification of production. He gave reasons for the necessity of raising the level of the entire system of management according to plan in the fraternal countries and of the qualitative change of the production on the basis of the findings of science and technology, scientific-technical progress as basis for intensification, safeguarding of competitiveness of the products and of economic independence. In this context it is especially important to utilize the inherent possibilities of the socialist community.

Focusing the entire system of management on acceleration of scientific-technical progress in view of the present conditions becomes the principal direction and

the indicator of the change of economic management on the basis of democratic centralism. Basis of this change is the consistent orientation of the entire economy on high end results, whereby scientific-technical progress is the principal means for achieving them. It is important to concentrate in time efforts and resources on the accelerated development of these directions, which are capable of exercising a revolutionary influence on the development of the economy, on the improvement of the working and living conditions of the people. In connection therewith, the role of the goal-program approach in management of the socialist social production is strengthened. Starodubrovskiy mentioned as an example the complex program of scientific-technical progress of the CEMA countries for the period of 15 to 20 years which is being prepared according to the resolutions of the economic conference of the CEMA countries. As is known, the complex program is based on five priority directions of scientific-technical progress: electronics, complex automation, including flexible automated production, the nuclear energy industry, development and application in production of new materials and technologies and development of biotechnology. Concentration of efforts on these directions serves the attainment of leading positions in the field of science and technology. The complex program of scientific-technical progress provides a new impulse to the development of multilateral as well as bilateral cooperation.

In discussing perfecting of the economic and management organizations, Starodubrovskiy referred to the experiences which show that big associations and combines are one of the most favorable forms of organization to bring science and production together. According to information from many associations, practical application of scientific-technical results takes place here more quickly than under other conditions.

Kunz, who commented on the management of measures of socialist economic integration under the conditions of comprehensive intensification, emphasized that scientific-technical and economic cooperation of the fraternal states within CEMA has deepened and has been expanded. This contributed to the significant successes in the further shaping of socialism in the CEMA countries. Economic growth now and in the future in the GDR as well as also in the other European CEMA countries will predominantly or exclusively be sustained by utilization of qualitative factors. An outstanding role in this connection is attributable to rapid scientific-technical progress and the economic utilization of its results.

Dealing with the changed reproduction conditions, Kunz noted that the expenditure for energy sources and other raw materials from imports and from domestic production has considerably increased and continues to do so. The rapidly increased expenditures for the import of raw materials and materials entailed significant changes in the trade patterns and their effectiveness. Thus economic growth can no longer be achieved by expanding the raw material, material, and energy production; greater refining of the raw materials and materials used, rapid reduction of the specific material and energy consumption, absolute reduction of production consumption in essential parts with the help of scientific-technical progress will become decisive foundations of expanded reproduction. At the same time a hard international class struggle takes place in science, technology, and the economy. This class struggle has considerably sharpened in recent years, especially because of the policy of U.S. imperialism for direct confrontation with the countries of socialism, the economic warfare unleashed against socialism,

as a result of which the scientific-technical and economic relations between the socialist and capitalist countries are increasingly made more difficult. Kunz pointed out that these changed reproduction conditions are no short-term phenomenon, affect the entire cycle of the GDR economy, the reproduction process of each combine, its production and trade relations, determine to a great degree the management of the economic cycles on all management levels and influence the scientific-technical and economic cooperation with the USSR and the other CEMA countries.

He explained that for the internal management and planning system of the GDR as well as for the entire system of coordination of the economic plans with the other CEMA countries, the comprehensive intensification and the socialist economic integration increasingly form a dialectical unity. The further deepening of the socialist economic integration under the conditions of the comprehensive intensification increases the demands on the management of these processes according to plan.

The advantages of socialist economic integration as a condition of intensification and especially the manifold possibilities for deepening the scientific-technical and economic cooperation with the USSR are promoted by the system of management, planning, and economic accounting in the GDR. The system of management, planning, and economic accounting now in effect in the GDR, which was qualitatively further developed on the basis of the decisions of the Tenth Party Congress especially in 1983 and 1984, offers manifold conditions for utilizing socialist economic integration and especially the close cooperation with the USSR economy for more rapid growth of labor productivity, the decisive improvement of the ratio of cost to yield, stronger stimulation and economic utilization of scientific-technical progress as well as lowering of production consumption as important sources for increasing the national income.

Current problems of the development of the system of economic management in the socialist countries were presented by Yevstigneyev, Deryabina/Zedlin. They started from the assumption that the transition of the European CEMA member countries to the intensive development of the economy is accompanied by corresponding changes in the economic management of these countries. What is involved is to guarantee the most effective utilization of all kinds of resources (investments, production funds, material, financial, manpower and natural resources). The task, which in its importance is comparable with socialist industrialization cannot be carried out without changes in management and planning, such as shifting the plan horizon and strengthening the goal-program approach to the preparation of the economic plans, increasing the role of the 5-year plans, perfecting the organizational structure of management, orienting economic accounting on qualitative indicators, expanding the rights of the enterprises and associations and their responsibility for the decisions to be made.

The authors pointed out that these changes common to the USSR and the other European CEMA countries take place in the various countries, taking into account manifold specific features. Without ignoring these specifics of the various countries, it is possible to speak of a convergence of the national regulations in economic management, which are directly linked with the deepening of the integration processes among the CEMA countries. This convergence, experience shows, is especially possible and necessary in the establishment of direct

cooperation relations among the economic organizations of the socialist countries as well as of the creation of international firms and joint enterprises. The material foundation of such a convergence is the deepening of intra-branch specialization and cooperation of production. The authors referred to the economic conference in Moscow at which it was noted that the CEMA-prepared proposals for convergence of the structures of the economic mechanisms of the CEMA member countries must serve the intensive production and scientific-technical cooperation of the fraternal countries.

Dealing with the perfecting of organizational and economic prerequisites for the development of direct relations between the economic units of the USSR the GDR, the authors noted that these should serve to an even greater degree the development of cooperation relations, the exchange of subassemblies and individual parts as well as the achievement of the uniform closed cycle "research--technology--project planning--introduction and production of an in principle new production" based on cooperation.

Forms of social organization of production and of the management process were the topic of Shchiryayeva's contribution. She called the change to the predominantly intensive type of socialist reproduction as characteristic for the present stage of development of the economy of the Soviet Union and that of the other countries of the socialist community. This places higher demands on management methods and forms. In the initial stage of transition to the priority utilization of intensive factors of growth, the main task in perfecting the management system lies in reorienting it towards maximal safeguarding of the economic priority of these factors. As a result, changes must be achieved in the technical level of the branches and productions as well as in transformation of scientific-technical progress into the basis of development of the social production. Development and perfecting of the management process must correspond to the qualitative changes of the productive forces.

In contrast to the concrete directions and forms of scientific-technical progress, which as a result of the development of technique and technology lead to an increase in labor productivity, the forms of the social organization of production are general, universal methods to increase the productivity of social work, which are connected with perfecting the technological and organizational structure of production. The status of development of the forms of the social organization of production is important for implementation of the intensification of production as well as for any random direction for implementing scientific-technical progress. In addition, especially the forms of social organization of production create the necessary prerequisites, the conditions for safeguarding the effectiveness of concrete directions of scientific-technical progress.

Current measures for management and planning of the social working faculties that can be utilized for working in the GDR were explained by Hummel. The new stage of comprehensive intensification places especially demands on development and use of the social working faculties in two directions, both of which act on increasing the effectiveness of the social worker profile:

--Improving the qualifications of the control of the working faculties according to plan to the branch-of-industry and territorial critical points of economic development;



--increased development and utilization of the qualitative potential of human labor in the combines and enterprises.

Hummel called attention to the growing demands on the long-term forecasting and conceptual mastery of training, occupational structures, guidance and qualification of the workers for the solution of economic tasks with special attention to the conditions in the GDR, for which concepts of development and utilization of the social working faculties are to be developed in all territories and areas and reproduction calculations are to be carried out. He especially underscored the necessity to develop, in increased cooperation with sociologists, indicators for the utilization of the social working faculties beyond the present system of indicators, and to draw appropriate conclusions. Furthermore it is necessary

--to consistently continue socialist rationalization to obtain even more manpower for a disposable use in the economy or in the combines and enterprises;

--to make greater efforts towards the preparation of manpower-assurance concepts, especially in view of the fact that at present many investments must be put on stream under complicated manpower conditions;

--to pay increased attention to training and qualification, especially qualification in the production process which attains an importance equal to training as part of the scientific-technical revolution;

--channeling new manpower, especially also for the development of new products, e.g., of consumer goods or for the use of manpower in the production of means of rationalization;

--to deepen cooperation between combines and territories as far as the projection as well as the structure and the use of the working faculties are concerned;

--to orient towards a greater effectiveness of the offices for labor, manpower control, and territorial planning.

In the GDR enterprises, complex programs of effective utilization of the social working faculties have stood the test, programs which were developed in agreement with the development of science and technology, with the technological and product profile of the combines and enterprises and as a function of the manpower reserves or manpower additions, determined by analyses, from the territory. Kashchin presented main directions for the increase in the effectiveness of economic research. Social sciences play a very great role in perfecting developed socialism. Economics must play a first-rate role in this connection. Effective economic leadership on a national scale as well as on the level of the economic units without science and effective planning and management is impossible and can be achieved just as little as rational organization of economic cooperation among the countries of socialism.

Kusicka made statements concerning the connection of plan and economic accounting in the field of science and technology in the GDR and concerning the

corresponding measures. To focus management of the combines fully on the requirements of comprehensive intensification of production, to effectively support it also in the mastery of the tasks posed to it especially also in the field of scientific-technical progress, the task was posed, among other things, in the resolution of the SED Central Committee and the GDR Council of Ministers of 15 February 1983 for the further perfecting of the management, planning, and economic accounting to further increase the economic effectiveness of science and technology by including it in economic accounting, by close connection of plan and economic accounting. The corresponding measures provide as core of the connection of plan and economic accounting the further qualification of the work with duties record books, especially the conversion of the economic requirements posed for the combine into demanding goals for scientific-technical work, whereby the demands of the export markets are to be fully met and there must be quick reaction to customer wishes. On this basis by precise cost, expenditure, and profit and loss accounting and by purchase and sale of scientific results, the common interest of research and production in higher economic results from science and technology are to be noticeably increased and hereto prices are to be agreed upon for scientific-technical performances on the basis of social norms for expenditure, profit, and extra profit between research institutions and the users. The adopted measures at the same time start from the idea that inclusion of science and technology in economic accounting can be more effectively combined with the further implementation of the performance principle in research and technology to foster with stronger orientation on the objective the high creative performances of the research cadres and their material interest in the achievements.

Kusicka attached special importance to perfecting the work with the duties record books by which important conditions for the inclusion of science and technology in economic accounting are created, whereby the consistent conversion of the economic requirements is directed towards demanding objectives of research and development in the duties record books, the more thorough assessment of the future production according to quantity and quality is directed above all towards the decided improvement of the ratio of expenditure and yield. This, according to Kusicka, fully corresponds to the fundamental concern and the principal content of economic accounting and places especially the following questions in the foreground: How, with what expenditures are which scientific-technical achievements attained? How are these results converted into new, salable products or highly effective technologies at what rate and what is the resulting profit? What is the ratio of expenditure for science and technology to profit within a certain period?

Kusicka emphasized that application of economic accounting in the field of science and technology generally requires stronger economic calculation. Aggregate economic accounting for research and development tasks to be performed obligatorily with each duties record book serves this purpose. By comparing important indicators of results, especially production and profit, with the total expenditure required for this purpose for science and technology, the effectiveness of every scientific-technical task or solution is judged. With the economic aggregate accounting, the link to the overall plan of the combine and enterprise is established and guaranteed, so that the results of the scientific-technical task are made effective in terms of

plan and balance. The duties record book also forms the decisive foundation for the assessment of the performance of the research collectives and cadres and their personal material stimulation. The material interest of the research facilities and areas, the assessment of the performances of the research collectives is linked to achievement and surpassing of the scientific-technical and economic performance objectives that can be concretely measured and accounted for in the duties record books. Thus the party and government resolutions are met, the inclusion of science and technology in economic accounting becomes more effective with the further implementation of the performance principle in research and development.

Problems of perfecting management and stimulation in the system of the USSR agricultural-industrial complex were in the center of attention of the statements by Arkhipov. He underscored that the achievement of the food program is one of the main directions of the CPSU economic strategy in the present stage. The planned measures for the achievement of the food program constitute a qualitatively new stage in the development of the agricultural-industrial complex. The topical interest of the formulation of the problem and the solution of the tasks for the development of agriculture, of the entire agricultural-industrial complex of the country are determined by the fact that not only an economic but also in the first place a sociopolitical task is involved here.

Arkhipov showed how at the beginning of the eighties, the objective requirement arose for the change of the structure of management in agriculture and in other areas that form a component of the agricultural-industrial complex. Important quantitative and qualitative advances in the productive forces of agriculture and of the entire agricultural-industrial complex required corresponding changes of the production conditions, the development and introduction of effective forms of the organization of production and management of agriculture. Development of scientific-technical progress, deepening of specialization and concentration of agricultural production, inter-branch cooperation and integration of industry and agriculture led to the creation of a series of new forms of organization in management of the economy. The measures for perfecting the management mechanism in agriculture and in other areas of the agricultural-industrial complex carried out according to the resolutions of the May plenum (1982) of the CPSU Central Committee were aimed at overcoming separation of departmental interests, safeguarding of the connection of territorial and branch planning, the increase in material interest and responsibility for the results of the agricultural production. In the rayons of the country, agricultural-industrial associations were created, consisting of kolkhozes, sovkhozes, interbranch facilities, other enterprises of agriculture, and also enterprises for their supply and for processing of agricultural production. The enterprises and organizations belonging to an agricultural-industrial association retain legal and economic independence and their management subordination.

In addition, Arkhipov further explained the tasks of the rayon agricultural-industrial associations. They consist in guaranteeing a proportional and balanced development of all areas of the agricultural-industrial complex, the increase in the production of foodstuffs, improvement of the technical maintenance of the kolkhozes, sovkhozes, and other production enterprises,

strengthening of their material base, perfecting the economic mechanism as well as the inter-branch technical-economic relations, fostering of the technical and organizational unity of the agricultural-industrial complex and orientation of its activity on the end products. The basic tasks of the agricultural-industrial association are creation of stable economic conditions for the economic activity of every work collective, increasing the responsibility for effective management of production, introduction of efficient forms of organization for standardization and pay as well as of material and moral stimulation. A commission with the presidium of the USSR council of ministers and a commission with the presidium of the council of ministers of the Union republics for questions of the agricultural-industrial complex will be created on Union and republic level. At present there are more than 2100 rayon agricultural-industrial associations in the country which consist of kolkhozes, sovkhoses, enterprises, and organizations with a total labor force of more than 31 million persons. The rayon agricultural-industrial associations comprise 52,000 enterprises, about 7,500 industrial enterprises, about 23,000 service enterprises and more than 17,000 other enterprises and organizations.

In conclusion Arkhipov dealt with maintenance of the required level of a new regulation on price formation for agricultural products important in principle for an equivalent exchange. Thus violations of the economic interests of the kolkhozes and sovkhoses because of changes in the price relations between agriculture and industry would be prevented, the purchasing prices would be revised every 5 years. The level of the purchase prices will be determined taking into account branch norms for total profitability of the volume of production and purchase of agricultural products to be planned, the furnishing of funds to the enterprises, wage level and other expenditures for the production of agricultural products. The price formation for agricultural products to be purchased from the kolkhozes and sovkhoses thus would be linked more closely with the real processes which take place in agricultural production in the system of relations among the areas of the agricultural-industrial complex. The economic responsibility of the enterprises and organizations for guaranteeing more effective work of agriculture increases.

Fundamental directions of the further perfecting of management, planning, and economic accounting in GDR agriculture were presented by Schieck. The consistent implementation of the economic strategy in agriculture, too, is necessarily linked with the further perfecting of management, planning, and economic accounting according to the new yardsticks. In this connection, fundamental resolutions were adopted in 1982/83 by party and government, resolutions on agricultural price reform, on perfecting management, planning, and economic accounting in socialist agriculture, for deepening cooperation between the agricultural producer cooperatives and the state farms of crop and animal production as well as for increasing the role of the cooperation councils, for implementation of the material interest in high performances in production and for increasing the effectiveness in the agricultural producer cooperatives, the garden producer cooperatives and the cooperative institutions and for the long-term program of agricultural research. In implementing the resolutions of the Tenth SED Congress and of the 12th Peasant Congress of the GDR, socialist agriculture has made important progress. In the average of the years from 1981 to 1983, the gross turnover of crop production increased 4.7 percent over the average of the years from 1976 to 1980.

Thus for the first time crop production grew faster than animal production, which corresponds to the task posed by the Tenth SED Congress to develop animal production increasingly on a domestic feed basis to reduce the thus far required imports especially of feed grain, but also of other feed. In connection with better utilization of the feed in animal production, agriculture's own product increased 6.6 percent on the average of the compared time periods. The increase in the yields and performances was connected with an improvement of the ratio of expenditure and yield. For while on the average of the compared periods gross production of socialist agriculture increased 4.2 percent, production consumption rose only 3.4 percent, whereby the net product could be increased by 6 percent. That shows the beginning of an economic process of change also in this area of the economy. Thus, in the intensively expanded reproduction the specific consumption of feed, fertilizers, diesel fuel, and other substances in part could be significantly lowered.

Dealing with the future tasks, Schieck further pointed out that deepening of cooperation between crop production and animal production at present constitutes the key question. These cooperative relations in the case of cooperation based on division of labor must be shaped more and more by common interest in the development of an effective reproduction process between cooperating LPGs and VEGs of crop and animal production. This is significantly fostered by the concept for deepening cooperation relations by perfecting management, planning, and economic accounting adopted by the Politburo of the SED Central Committee in October 1983. The increase in effectiveness of all forms of cooperation, Schieck said, is an essential element of further perfecting socialist production conditions in the countryside and thus of creative application of the Leninist cooperative plan under the new conditions.

Concerning the agricultural price reform that went into effect starting 1 January 1984, which is closely connected with perfecting management and planning in agriculture, Schieck stressed that this is a very important agricultural policy measure adopted by the Tenth SED Congress, which takes into account the changed economic and foreign trade conditions and considerably increases the material interest in the increase of production and in the improvement of the ratio of expenditure to yield and thus contributes to the further rise of performance in agriculture.

Leonhardt dealt with aspects of socialization according to plan in GDR socialist agriculture. She started with the statement that a considerable intensification of agricultural production was connected with the socialist socialization process and cited a few data which explain this socialization process in the GDR: Before the start of the socialist transformation, there were 788,500 enterprises, predominantly of small and medium-sized types of farms. Today, as a result of the socioeconomic redevelopment, there exist 1158 agricultural producer cooperatives or cooperative facilities of crop production and about 3000 agricultural producer cooperatives or cooperative facilities of animal production. In addition there are 158 state farms or people-owned enterprises of animal production. This concentration was connected with a considerable process of intensification whose characteristic until very recently consisted in replacement of human labor by machines and mechanization by means of high energy expenditure, etc. Now agriculture, too, as established by the Tenth Party Congress, is confronted by the socially and

economically important task to implement comprehensive intensification in the form of the predominantly fund-economizing type. This is connected with a change in the manner of thinking concerning economic operation in agriculture as well as also with considerable requirements on the utilization of available means of production, careful handling of things available, with new thoughts on the development of a fund-economizing flexible agricultural technology and corresponding production of chemical products for more and more perfect development and work with maximum yield concepts and so forth.

Leonhardt emphasized the profound social development of the situation of the cooperative peasants and workers resulting from the position of agriculture in the economy and its reproduction process, a position which is reflected in the development of the socialist way of living, the gradual reduction of existing differences in the working and living conditions to the extent that they are not of a specific nature. The degree of approximation or equality thus also refers to social security, education and qualification, social insurance, supply of housing, level of equipment with high-grade consumer goods, the cultural area. There are, however, special features in the way of living in the countryside which are to be noted in the social reproduction process, e.g.,

- rural settlement pattern;
- the special nature of agricultural production (handling of the soil and the animals, mobile equipment, seasonal character of the work);
- the specific requirements of leisure time activities (small livestock farming, garden work, maintenance of housing and buildings and installations);
- the specifics of the interest and need structure of those working in agriculture as regards intellectual-cultural life.

In solving fundamental socioeconomic tasks, development of the village plays an important part, according to Leonhardt. In this connection she mentioned the following priority questions to be solved by research:

- How can the potentials of the entire village be better exploited in order to increase agricultural production and its efficiency?
- The social reproduction function of the village and its role as a social community, how is it possible to strengthen it and how does it have to be strengthened?
- How is it possible to ensure stable development of all villages as a requirement from the aspect of society as a whole, what new ways of looking at such processes of society as a whole, such as the city-countryside relationship, the stemming of migration and fluctuation can be derived therefrom?

In conclusion she noted that further development of the villages as homestead of cooperative peasants and of the other citizens living and working in the villages is a decisive condition for social reproduction.

Kvint dealt with questions of the connection of the approach of society as a whole, the territorial and branch approach to perfecting management of the economy. He started from the importance of regional reserves to increase the effectiveness of social production and referred in this context to such important regional programs as the economic development of the territory around the Baikal-Amur main artery, development of the natural resources of the south Yakut territorial production complex and of the raw material and energy complex of Kansk-Achinsk, development of the oil and natural gas-rich areas of northern West Siberia, whereby the dimension of this process, the resources included in it, its consequences and its effects on the development of the entire economic complex of the country make the task of perfecting the entire system of management of social production extremely important and responsible.

By deepening the social division of labor, the branch and territorial structure of production, its specialization and cooperation change constantly. Therefore it is objectively necessary to guarantee perfecting the organizational structure of the management of the economy according to plan. Above all it is a priority task to achieve greater uniformity in the management of similar branches and those that are connected with one another, to eliminate departmental and regional separation. Kvint, who stressed that the forms of organization of management have to ensure the connection of territorial and branch interests in all forms of expanded socialist reproduction whereby the forms of society as a whole should have priority, includes among the most important principles of perfecting the organizational structure of the management of the economy under the present conditions

--deepening the connection of the total society, branch, and territorial approach;

--transfer of functions of current and operational management to the level of the basic economic units;

--liquidation of excess intermediate elements and structural elements of management;

--integration of the organs for the management of the economic and scientific-technical development of the productive forces.

Ostwald spoke on taking into consideration the growing role of the territorial reproduction conditions in the further perfecting of management and planning of the economy. Unity of branch and territorial principle has always been a firm component of the Marxist-Leninist principles for management and planning of the economy. That corresponds to the great importance of the regional distribution of the productive forces which the entire territorial organization of social reproduction has under the conditions of the transition to the intensively expanded socialist reproduction as a type of reproduction. While for phases with pronounced extensive economic development, in other words of the expansion of the production field, the establishment of new production places and cities, a redistribution of the productive forces in the territory of the country is always typical, in the case of the transition to the comprehensive intensification of the economy it is important to utilize all productive forces as efficiently as possible where they are located and continue to

reproduce. This applies to the social working faculties; to the natural resources, especially the space and water resources; to the technical infrastructure, i.e. the installations and networks of energy and water supply and of transport; for the social infrastructure, i.e. housing and all other installations and networks for the supply and care of the people in the largest sense.

Ostwald started from the idea that the individual regions of the country, thus in the GDR the Bezirks, Kreises, cities and municipalities, with all these factors which are described as territorial reproduction conditions, are equipped in a very diversified manner. The age and sex structures of the manpower resources, the education and qualification structure of the manpower are different in every city, in every village and develop very differently also in the long term in the individual regions. The same applies to the natural resources with which the individual regions are endowed differently by nature and which are used differently there according to the existing industrialization, population density, etc. The regional differentiation applies at least also to the infrastructure which in each case, among other things, possesses a different network density, a different technical quality, a different construction age, a different degree of moral and technical wear and tear and thus an entirely different efficiency in the individual regions.

The combination, the coordination of all these different components creates quite specific territorial conditions for the course of the economic reproduction processes at present and in the future for every region of the country. Under the conditions of a general orientation of the economy on the utilization of everything available, i.e. under the conditions of comprehensive intensification, these territorial conditions turn everywhere into a more important factor for the development of the effectiveness of the economy, the increase in labor productivity, the further economic and social progress than in the past.

Iskanderov spoke on perfecting economic planning of the Union Republics under the conditions of the creation of a uniform economic complex in the USSR. One of the characteristic features of the present exists in the USSR during the stage of developed socialism in the formation of a uniform economic complex which comprises all parts of social production, of distribution and barter on the territory of the country. Its formation according to plan was preceded by profound qualitative changes determined by the fact that the party and the Soviet state, guided by the objective economic laws of socialism and the principles of the Leninist nationality policy, have consistently guaranteed constant growth of the productive forces in all union republics on the basis of their close cooperation and mutual assistance, of the management according to plan of the development of the economy of the country as a uniform economic organism. Its creation became possible on the basis of the equalization and safeguarding of a proportional economic development of all union republics, of the development of the division of labor among the republics, of the establishment of efficient economic relations, of perfecting the economic forms of mutual assistance and cooperation of the republics, of the harmonious linking of the interests of the union as a whole and of the republics, of the national special features and of the economic policy. The possibility of coordination and achievement of these factors, which are determined by the nature of socialism and its objective economic laws, has shown itself especially clearly after the formation of the



Union of Soviet Socialist Republics, since especially hereby the conditions for joint utilization of the united resources, the efficient regional distribution of the productive forces and the development according to plan of the natural resources of each republic and of the country as a whole were created.

One of the laws of the creation of the uniform economic complex of the country has consisted in overcoming the extremely uneven development of the economy of the individual republics and territories in a historically short time, a task which was of importance especially for the semicolonial countries that had been most backward, which had achieved the transition to socialism while bypassing the capitalist stage of development. While developing the plan for socialist upbuilding in the country, Lenin pointed out the necessity to find appropriate ways and means to solve the tasks of socialist development under the conditions of backwardness. A veritable triumph of the teaching of the classics of Marxism-Leninism on the national question constituted the results of the economic and social development of Uzbekistan. Supported by the fraternal assistance and cooperation of all union republics, Uzbekistan made a gigantic leap in the implementation of socialist industrialization, in the creation of a highly intensive agriculture, the training of highly qualified cadres. The volume of industrial production increased 247-fold since 1924. It accounts for more than half of the social gross product. The republic, which occupies less than 2 percent of the territory of the country, produces more than 7 percent of the agricultural products.

By way of comparison Iskanderov pointed out that in the period of the rule of tsarism in colonial Turkestan, i.e. in the course of 50 years, not a single large industrial enterprise for the production of finished products was created. The low economic development of colonial Turkestan was shown, e.g., by the fact that in 1908 an inhabitant of this territory accounted for an industrial production of 11.8 rubles and there were 2 industrial workers per 1000 inhabitants, while in Russia's central industrial areas the comparable figures were 82 rubles and 48 workers.

Today Uzbekistan's industrial structure is characterized by such progressive branches of industry as electroenergetics, production of chemical installations, the gas industry, nonferrous metallurgy, aircraft construction, apparatus construction, the construction materials industry. Owing to tremendous investments, great qualitative changes occurred in the development of agricultural production. During the years of Soviet power, more than 100,000 km of irrigation and drainage installations were created in the Uzbek SSR. At present there are more than 900 irrigation systems, 24,000 modern water engineering installations, more than 1000 efficient pumping stations and 20 big canals. Big irrigation installations are being erected in Central Fergana, in the Golodnaya steppe, the Karshinsk, Surkhan-Sherabadsk and the Dzhizask steppes. The technical equipment for agricultural work has greatly increased. In 1983, 169,700 tractors, 37,300 cotton harvesters, 11,000 grain combines, 55,000 trucks operated on the fields of the republic. In 60 years, the republic's agricultural gross production increased twelvefold. As a result, the share of Uzbekistan's agricultural production increased. At present this republic's share in the cotton produced in the USSR is more than 65 percent; that of jute, 100 percent; that of silk cocoons, 60 percent; that of karakul wool, 30 percent; that of melons, 21 percent; and that of rice, 16 percent.

Ubaydullayeva dealt with the control of the manpower potential as an important condition of the growth of the effectiveness of the economy. She explained that the character of the development of the economy according to plan in the initial stage of the developed socialist society determines the objective-oriented influence on the reproduction of the manpower potential. Control of the manpower potential is based on the knowledge of the general sociological laws, the economic laws of socialism and especially the basic economic law as well as the laws on population. Against this background control of the manpower potential through the socioeconomic and demographic policy of the socialist state was realized. It consists in the implementation of the objective-oriented measures for the reproduction of manpower, to insure the growth of the effectiveness of the economy and to correspond to the objectives and tasks of the economic strategy of the party.

Highest fundamental and long-term objective of the party continues to be the constant raising of the material and cultural standard of living of the people, creation of the best conditions for the all-around development of the personality on the basis of a further increase in the effectiveness of social production, an increase in labor productivity and growth of the social and labor activity of the workers. The process for the reproduction of the total working faculties, especially of the manpower employed in the material sphere of production, forms the basis for the shaping and the use of the manpower potential of society. An important direction in the management of the manpower potential of society in this connection is the regulation of the use of the working faculties. In recent years the regulation of the number of the workers employed in the material sphere of production has undergone considerable changes: Since the previously operating mechanism did not legally limit the number of persons active in enterprises and associations and economically did not stimulate any limitation, there were important reserves in the use of the working faculties. Under the new conditions of perfecting the management of the economy, the role of the control of the manpower potential with the objective of increasing labor productivity has significantly increased. Thus especially the work collectives of the production associations and enterprises received comprehensive powers to stimulate labor productivity and highly qualified productive work. Depending on the results of his work, every worker receives efficiency bonuses for highly qualified work, for practicing several occupations.

Chikhmatov discussed perfecting planning of the investment process. He pointed out that now in the USSR more than one fifth, in the Uzbek SSR 30 percent, of the national income is used for investments. Under these conditions the importance of perfecting the planning of investments as well as of increasing the effectiveness of building industry performance, which achieves a considerable part of the accumulation, grows.

To further increase the effectiveness of the investments, to reduce their payback period and to ensure maximum production growth, fundamental measures are to be developed for each ruble spent for investments, measures that are designed to bring the presently applied forms and methods of planning the investments and the organization of the building industry performance in full agreement with the demands of the high rate of development of the economy of the country. The effectiveness of the accumulation and the rate of reproduction are determined not only by the size of the investments in the economy but above all by the

realistic possibilities of the building industry output, by its capability to make use of the funds set aside and to ensure their rapid incorporation in the existing fixed assets. Therefore it is better to reduce the value of the construction and assembly work and to employ this work as a result more rapidly in the construction of the existing enterprises rather than unjustifiedly expanding the front of the investment structures.

As of great importance for planning and for comprehensive economic calculations, Chikhmatov referred to the theoretical analysis of the dynamics of the volume of incomplete structures for the republic as a whole under normal reproduction conditions, whose objective must consist in uncovering an efficient ratio between the growth of the investments and the volume of incomplete construction projects. The more precise determination of these quantitative relations is the prerequisite for conscious control of the course of reproduction of the fixed assets on republic scale. Ministries, administrations, and planning organs must possess methods in the planning of the volume of the investments to determine the growth of the fund to be expected in the branch concerned in the respective year and to establish the requirements to be placed on the construction industry. At present the ratio between the investments and the total use of funds is determined as a guide figure, whereby the planned use quite frequently is estimated quite optimistically in the plans. Therefore the planning organs must receive all the planning materials in time from the appropriate ministries and administrations, planning materials that make it possible to carefully analyze the reproduction process and to take appropriate measures for its improvement. However, such an analysis is possible only if the effect of the mechanism, which makes the volume of the investments, target dates and delays of construction, the use of the funds and the extent of the construction projects not yet completed into a unit, is theoretically clarified. The republic's economic sciences are faced with the task of thoroughly analyzing the quantitative laws of the reproduction of the funds.

Hanspach's contribution dealt with basic directions of further perfecting the commitment and utilization of the social working faculties by applying the Schwedt Initiative. The author started from the idea that further perfecting the commitment and utilization of the social working faculties is one of the decisive tasks for the comprehensive intensification of all areas of the economy. The effectiveness of human labor is of prime importance for the more effective complex utilization of the qualitative factors of economic growth, especially the further increase in the economic and social effectiveness of science and technology, better utilization and upgrading of energy sources and raw materials as well as the improvement of the quality of the products and services.

Referring to the effects of the changed reproduction conditions of the eighties, he noted among other things that scientific-technical progress increases its key function for the further effective and dynamic economic development, continues to exhibit an acceleration. Qualitative points of change in the shaping and effectiveness of the material-technical base are reached more quickly, as a result of which changed work requirements created a constantly growing number of workers, requirements that frequently can no longer be mastered with the existing qualification and experience. Simultaneously the type of physical and mental demand, the working hours system, collective relationships, and other factors will change frequently. On the economic scale the scientific-technical

progress causes and demands structural changes in production to such an extent that structural changes of the social working faculties prepared in time and carried out according to plan must be mastered. With the changed conditions of the reproduction of the social working faculties, the absolute economizing of jobs and the real gaining of manpower became the fundamental requirement of the intensively expanded reproduction in the entire producing area of the economy and especially in industry. For this purpose, especially the trend that has prevailed for years had to be reversed, so that more jobs would be newly created by investments than the ones that were saved. The emphasis in the further development of education and qualification is increasingly shifted from the improvement of the qualifications structure to the object-related specific increase in the level of qualification and the perfecting of the training content according to the greater social and scientific-technical requirements as well as to the actual utilization of the existing qualification potential. That signifies manifold consequences for perfecting the technological level of production and the working conditions as well as for the change of the production structure in the direction of products and processes that are more innovation and qualification-intensive. Hanspach noted that the changes required in the future, too, of the employment structure within the enterprises and combines as well as according to branches and territories can be achieved less and less by means of a differentiated distribution of the additional manpower. For example, in 1990 about 50 percent fewer school leavers will be available compared to 1978. The needed manpower must then be obtained even more than now by specific release of workers already engaged in professional life.

All of the above makes it evident that further dynamic economic growth requires implementation of an all-around intensively expanded reproduction, which embodies the unity of a manpower-saving, material and energy-saving and fixed assets-saving type of reproduction. In this connection it is important that the effective employment of the working faculties and the implementation of the right to work in the GDR form an indivisible unity, continuous increase of labor productivity takes place with assured full employment--fundamental achievements of the socialist social order and proof of the superiority of the socialist planned economy, its importance is even underscored because of the conditions which have become complex worldwide in the political and economic field and in view of the sharpening of the economic crisis and of the social conditions in the capitalist countries.

The contribution of Heinrichs was devoted to the role of perfecting consumer goods production for the effective functioning of the economy. He pointed out that in the stage of comprehensive intensification, i.e. in the further conversion of the GDR economy to the intensive type of expanded socialist reproduction, the production and reproduction of consumer goods comes to the fore from different aspects. One aspect that has thus far received little attention in the scientific literature, an aspect to which practical experiences in the GDR point, consists in this connection in the growing influence which the growth to match demand and the achievement of the national economic consumer goods production exert in the economy as a whole on the proportional and balanced development and through it again on the effective functioning of management, planning, and economic accounting. This functioning is directed at making evident more and more the advantages of the socialist economy for stable economic growth and thus for an increasing degree of achieving the objective of the expanded socialist reproduction from cycle to cycle.

Heinrichs stressed in this connection that the concrete regulations in the system of management, planning, and economic accounting start from a lasting realistic proportionality and balancing in the development of the economy and from there aim at effects which guide the economic interests of the combines and enterprises in a direction which agree in the utmost with the economy and socialist society in general--this all the more directly and effectively the higher the real degree of proportionality and balancing and the better functioning the system of the socialist planned economy itself is.

Heinrichs underlined that the proportions of the economy which considerably influence the workability of the system of management, planning, and economic accounting either directly or through intermediate links includes the proportion of total commodities available and disposable income of the population, which again is connected with the proportion between the increase in labor productivity and the development of the average wage (taking into consideration the dynamics of the consumption funds of society which do not become effective as disposable income) and with proportions which are connected with the output of consumer goods production (as end products) in volume and structure, taking into consideration the foreign trade balances and the development of the preliminary production stages (intermediate products), with the development of the net money income and of the real retail trade turnover (taking into account the money accumulation in the population in the form of organized and unorganized saving). The concrete regulations, which were worked out within the framework of the further development of management, planning, and economic accounting in the GDR and orient at more production of high-grade consumer goods in the combines and enterprises producing predominantly means of production as well as in the combines and enterprises producing consumer goods, comprised planning, economic stimulation as well as the further development of certain sectors in the reproduction cycle of the economic units to be able to meet the growing tasks of consumer goods production better than in the past. The effectiveness of these regulations is intimately connected with the further strengthening of the combines in the GDR. Preparation and implementation of these regulations did not become possible at all until a specific stage of development had been reached, which the combines have achieved and which found its conclusion with the formation of Bezirk-managed combines.

Aspects of the interrelationship between the economic management according to plan and the further perfecting of socialist production conditions by progressive socialization of production and labor in the GDR were presented in the contribution by Schulz. He pointed out the increased international discussion on the future shaping of the production conditions related to the transition to the intensively expanded reproduction, production conditions through which the significant potentials of the socialist economy are to be provided with a constantly growing leeway. Starting from analyses of the achieved level of socialist production conditions and their effectiveness, considerations for their perfecting according to plan which can be supported by positive very recent experiences are in the foreground. The CPSU, the SED and other fraternal parties orient themselves, according to Schulz, on the following tasks of the further development of socialist production conditions:

--The general element in the process of development of socialist production conditions is the further socialization of production and labor. This process embodies the dialectical interaction of productive forces and production conditions.

--On this basis takes place the further development of socialist property in the means of production as national property of society as a whole and as cooperative joint property.

--Perfecting socialist production conditions furthermore consists in the higher development of the socialist character of labor and of the socialist competition.

--In the entire system of socialist production conditions changes are sought in the interest of higher effectiveness and constantly better satisfaction of the material and spiritual needs of the workers, which include the economic conditions of material production, distribution, exchange, and consumption.

--Finally there are changes in the economic management relations which objectively arise from the combined process involving division of labor.

These developmental processes of the production conditions and their international development through socialist economic integration determine the comprehensive process of maturing of the economic base of the socialist countries. In this connection an increasing similarity of important tasks for comprehensive intensification and a growing differentiation in their concrete course can be noted in European fraternal countries of the socialist community, a course which depends on a multitude of internal and external conditions. Thus there are differences in the economic capacity, in the historically concrete interrelationship of extensive and intensive factors of expanded reproduction, in the development of objective and subjective conditions for intensification and in the level of effectiveness of qualitative growth factors, which again causes differences which exist in the priorities in the economic and social policy, in the rate of economic development, in the structure of the economic mechanism and in the concrete forms of socialist production conditions. Dealing with further socialization in socialist industry, Schulz stressed that the further development of the combines as big economic units with an important innovative power is part of the profound changes in the socialization process.

Belousov's contribution dealt with some findings from the implementation of the approved measures for perfecting management in Soviet industry and ways for their further development. He sees the core idea of the measures in creating in production more favorable conditions for the development of social activity and initiative of the work collectives, in raising their material interest in the continual increase of the final results by increasingly stronger utilization of the achievements of science and technology and of the other production resources. What is at stake is to tie more closely together the material interest of society, of the collectives, and of the individual workers, to stimulate the enterprises, to adopt tight plans and to uncover still unused reserves in order to accelerate economic and social growth. These objectives must be achieved by further increasing the work collectives' own responsibility and by raising their responsibility for the final results of the common work.

The expanded own responsibility of the work collectives of the associations and of the enterprises becomes most clearly evident in the following main fields:

--in the field of the wage and of material stimulation,

--in the technical reconstruction and replacement of the available production equipment,

--in planning of production.

The most important economic sphere in which this own responsibility is expanded is the sphere of distribution conditions. Neither the wage fund nor its average level is now assigned to the work collectives "from above." The dynamic of the wage, i.e. also its amount for the long-term period is planned by the enterprises themselves. The actual wage fund of the base year is taken as the starting point for the calculation, i.e. of the year which preceded the plan year. The wage fund is increased in direct proportion to the growth of labor productivity. This ratio is established in a special norm (in most ministries an increase of the wage of 0.35 percent for one percent growth in labor productivity). To put it another way: Whoever wants to earn more must consider how he can increase labor productivity.

Another sphere of economic activity in which the rights and the real potentials of the enterprises are to be considerably expanded is the technical reconstruction and modernization of the production funds. Main source for financing the technical retooling and reconstruction of the existing enterprises is the development fund which is formed from profit, a part of the amortization transfers and the value of the equipment which the enterprise no longer needs. The enterprise disposes of this fund by itself. It is not subject to the centralization by the superior organizations. Since considerable funds are required for technical reconstruction and the development fund is, however, limited, the enterprise is permitted to let the fund grow to the required amount in the course of a few years. If the fund does not suffice in spite of that, the enterprise (the association) has the right to obtain a bank loan.

Also planned is an expansion of the own responsibility of the associations in the field of planning. The main indicators of the plan are then the following: 100 percent fulfillment of the contractual delivery obligations, growth of profit (lowering of the prime costs) and increase of labor productivity. Exceedingly complex in this connection is the question where the borderline is for the expanded independence of the associations and of the enterprises. Here Belousov underscored that this borderline is objectively determined by the degree of real responsibility which is borne for the final results of the economic activity, i.e. for the economically effective utilization of all production resources which are available. Independence and responsibility are most clearly evident in the norms and standards of the utilization of the resources, favorable results and corresponding utilization of the achieved income, whereby the standards regulate the economic relations between society and the working team.

Milner presented problems of the study and development of systems of organization. The task of analyzing, shaping and developing systems of organization is an

inseparable part of the problem of increasing the effectiveness of social production. The development of socialist production under the present conditions demands special requirements which underscore the immediate relevance of a study of the organizational structures of management. Milner directed attention especially to the point that the growing criteria of social production, the development of the division and cooperation of labor, the stronger dynamic and the multitude of the socioeconomic objectives of the production objectively make it necessary to make the organizational system of management coincide with the level of the productive forces and of the production conditions. In recent years comprehensive research on the management organization of the economy was started in the USSR. It comprises

- development of organization forms and methods of management of enterprises, production and science-production associations as well as industrial complexes;

- development of general charts of the management of branches of industry and of construction as well as organizational forms of management of industrial organizations;

- perfecting territorial management, development of an organizational mechanism of the management of territorial production complexes;

- development of organizational forms and methods of management of complex economic programs of objectives, scientific-technical, social and other programs;

- improvement of interbranch and interfunctional management on a national economic level.

Milner further explained that perfecting of the management structure is inseparably linked with the creation of the organizational conditions for the solution of national economic, interbranch, territorial and production-related problems by the further development of the management of programs of objectives and the development of methods of their organizational coordination with other forms of management. Together with further perfecting of the economic mechanism, this must contribute to overcoming organizational fragmentation and thinking in terms of departmental interests in management. In this connection he stressed that in recent years organizational forms of management of technical, economic, and social programs have spread in the management practice of various levels and in various parts of the national economy. The structures of programs of objectives are forms of complex management (by means of separate or specially formed temporary organs) of the entire production system as an object directed towards a specific goal.

Skipetrov dealt with the nature of the organization according to plan of the socialist economy and the perfecting of the management. He started from the position that the implementation of the economic strategy of the party for the eighties requires further perfecting of the management of the economy, its planning and the entire economic mechanism. In this connection the economic development according to plan constitutes the objective foundation for the management of the socialist economy. It assumes the active, scientifically based activity of all members of society and of all management organs of the national economy, comprehensive study of the practice of economic development



and the findings of the nature of the objective economic laws. The theoretical base for perfecting the economic mechanism and for the fundamental levers for the management of the economy is formed by the examination of the specific content of planfulness as the basis for a balanced leadership of the entire national economy by the producers-coowners, for the direct, social, national regulation of production and distribution of the products as well as for the special features of the action of the law of the planful proportional development and of the mechanism of utilizing the entire system of the objective laws in the stage of developed socialism. The development according to plan requires establishment of proportionality, coordination and balancing of all fundamental economic proportions by social criteria. Proceeding according to plan of the development of the socialist national economy and its national management are the basis for establishing optimum proportions, for distributing the productive forces efficiently and for guaranteeing the efficient use of material reserves, manpower resources, and financial resources of society.

12356

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

ECONOMIC DEVELOPMENTS, EXPORT STRUCTURE FOR MID-1985 DETAILED

East Berlin AUSSENWIRTSCHAFT in German Vol 13 No 42, 16 Oct 85 pp 1-2

[Text] Last summer, industrial plants, state-owned farms, agricultural cooperatives and scientific institutes of the People's Republic of Albania discussed the formulation of the eighth Five-Year Plan for the economic development of the country 1986-90. Focal points of these discussions were increasing efficiency in every aspect of the economy, the implementation of an austerity program, the lowering of prime costs and the stepped-up utilization of scientific know-how.

Using Domestic Raw Material Resources

A number of these demands have for some time been on the regular agenda for the economic policy of the PR Albania. Under the current Five-Year Plan, measures to increase efficiency were implemented in several economic sectors. For example, in the area of agriculture the county has been able to a large extent to meet its needs for foodstuffs and agricultural raw materials from its own output, despite the fact that it has one of the lowest rates of arable land per inhabitant in all of Europe.

The use of manpower is still quite prevalent in all areas of agriculture, and the process of mechanization is still in an early phase. At a discussion held at the beginning of this year, in which A. Carcani, minister president of the PR Albania, also participated, questions focused primarily on the increased application of progressive experience, the accelerated utilization of scientific know-how and measures for the prevention of flood damage.

Under the current Five-Year Plan, efforts in mining and in energy production were also oriented toward a more rational and efficient exploitation of available raw materials. Especially important from this point of view are the reserves of crude oil, natural gas, coal, chrome, copper and nickel, which also have priority in exploration. The development of new deposits is the focus of attention for energy sources, while an increased exploitation is to be achieved in the case of bituminous coal and non-ferrous metals by the construction of enrichment facilities. These measures are aimed both at improving the availability of raw materials for domestic processing industries and at improving the quality of products for export.

In the generation of electrical energy, the main focus of attention remains on the utilization of hydroelectric resources. In the current Five-Year Plan, efforts focus on construction of the Koman hydroelectric plant, which is to complete the power station cascade on the Drin. This is the largest project that the PR Albania has undertaken to date in this area and the plant will have an installed output capacity of 600 MW.

#### Development of the Processing Industries

In the development of its processing industries, the PRA relies on its own rich and varied raw materials base and on imported semi-finished products, as well as on its manpower resources. The objective of the expansion of the processing industries continues to be a growing independence from the import of industrial commodities. As examples for the solving of this task, Albania cites the fact that its textile industry is able to meet 100 percent of the country's textile needs, industry and agriculture produce 85 percent of all consumer goods used by the population and 95 percent of the replacement parts that are needed in the country are produced in Albanian plants.

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#### Indicators of Economic Development

	1981	1982	1983	1984	1985 <sup>1</sup>
	in % <sup>2</sup>			in %	
GNP	4.4	.	.	34-36	
National Income		6	4.5	.	36-38
Industrial					
Production		7	4.7	3.0	3.3 36-38
Agricultural					
Production		7	5	9	. 31-33
Real per capita					
Income		.	4	.	8-10

<sup>1</sup> Five-Year Plan indicators, growth compared with 1980 figures.

<sup>2</sup> Growth compared with the previous year.

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In recent years, however, the necessity of utilizing the advantages of an international division of labor has had an increasing impact on the development of industry. In the areas of oil refining and non-ferrous metallurgy, for example, efficient production is only possible in Albania if a considerable percentage of the products are exported.

Progress is also being made in the current Five-Year Plan in the expansion of the processing industries. If for 1976-80 iron metallurgy and oil refining were the focal areas for development, in 1981-85 the focus of attention was on non-ferrous metallurgy and the chemical industry, in particular on the production of agrochemical products. A considerable portion of these efforts was devoted to follow-up investments which supplement, expand or round off the production of already existing facilities. In 1984, 160 new plants were established, including facilities for the enrichment of chrome and copper

ores, an assembly line at the Elbasan metallurgical combine, capacities for the production of linen and velvet fabrics as well as the processing of tomatoes and olives.

An important task in achieving an increase in efficiency is the improved utilization of the production capacities in the processing industries. This task is being met in stages by improving the availability of raw materials, in particular by locating new deposits.

#### Expansion of Export Trade

At present, the PR Albania uses domestic sources of accumulation exclusively for its economic development. As a result of the high rate of population increase, which has been stimulated by the country's social policies, Albania has adequate manpower reserves. For this reason it is possible to carry out extensive projects on hydroelectric plants, soil improvement projects and the exploitation of raw materials. Because of limited financial resources, the plants can only gradually be mechanized, and the percentage of manual labor is high in all sectors. Given these conditions, increasing the efficiency of the national economy is an important task. In the area of foreign trade, this task is reflected in efforts to increase the profitability of exports, which is to be brought about by structural changes and price increases for various goods, as well as by efforts to improve the country's competitive position in the marketplace. This is to be achieved by raising the quality of products and improving packaging and modes of transportation.

The expansion of export trade is regarded as an urgent task. The growing need for imports can only be met by increasing the volume of exports. For this reason, under the current Five-Year Plan the structure of export trade was further expanded. Focal areas include electrical energy, petroleum products and medicinal plants and spices. These now represent, in addition to chrome ore, copper products, tobacco and fresh vegetables, the basis for Albania's export trade.

Albania is second in the world in the export of chrome ore. Efforts to increase quality are directed at the expansion of the export of ferro-chromium, ferro-nickel and cables. Albania also believes that it should be possible to greatly increase the export of fresh vegetables and plant-based drugs. Prerequisites for this, however, are the expansion of bulk-buying and rapid modes of transportation. The expansion of nickel production indicates that conditions are being created for the initial export of electrolyte nickel and nickel-cobalt alloys.

Albania imports a major portion of the machines and equipment used in the country. The range of these imports is very broad. Focal areas include equipment for mining and the oil industry. There is also a high percentage of fittings for the oil industry, hydroelectric plants and irrigation plants. Despite the fact that the country has significant domestic reserves, it is necessary to import a large portion of raw materials and materials to meet the needs of the national economy. This is primarily a question of the import of chemicals, semi-finished steel products and raw materials for textiles. The

expansion of domestic production as well as rationalization measures are creating the prerequisites for savings above all on imports of these types. The leadership of Albania stresses its view that the most important task of its foreign trade policy is the continued securing of a balanced exchange of goods with other countries. In this it calls for an annual adjustment of the exchange of goods with each important trade partner. Export trade should once again reach such a volume (as was the case in 1976-80) that it finances not only import trade, but also the formation of a foreign currency reserve.

The development of foreign trade has not happened in a continuous fashion in the period covered by the present Five-Year Plan. This is due above all to fluctuations in the exchange of commodities with capitalist industrial nations. According to statistics given in the Yugoslavian press, the share of capitalist countries in the foreign trade volume of the PR Albania amounted in 1983 to 38 percent and in 1984 to 42 percent. Trade was expanded especially with Albania's neighbors and other Mediterranean countries. Long-term trade agreements exist with most of the CEMA countries. The exchange of commodities with these countries was carried out according to plan.

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ECONOMY

HUNGARY

# CONFLICT OF NATIONAL ECONOMIC GOALS, ENTERPRISE PLANS

Budapest NEPSZABADSAG in Hungarian 22 Feb 86 p 5

[Roundtable "On Enterprise Planning" with directors general Frigyes Berecz (BHG Telecommunications Enterprise), Istvan Bihari (Chinoin), Mrs Pal Krauth (Cotton Spinning Industry Enterprise), deputy director general Ferenc Zalka (Machine Tool Industry Works) and deputy chairman Miklos Pulai (National Planning Office); moderator Katalin Bossanyi of the NEPSZABADSAG editorial staff; first paragraph is NEPSZABADSAG introduction]

[Text] The 7th Five-Year Plan anticipates an acceleration of economic growth, which will have to be based on the more efficient production and more economical export of manufacturing. What strategies for this have been devised by those concerned? Where do they see stresses or conflicts between the national economic and the enterprise plans? These are the questions we discussed with the heads of four manufacturing enterprises: Frigyes Berecz, director general of the BHG Telecommunications Enterprise; Istvan Bihari, director general of the Chinoin Pharmaceutical and Chemical Products Factory Corporation; Mrs Pal Krauth, director general of the Cotton Spinning Industry Enterprise; and Ferenc Zalka, deputy director general of the Machine Tool Industry Works. Miklos Pulai, deputy chairman of the National Planning Office, was also one of our guests. Katalin Bossanyi represented our editorial office.

NEPSZABADSAG: How have the unfavorable developments in 1985 influenced the elaboration of this year's national economic plan? To what extent are the central government's expectations reflected in the enterprise plans?

M. Pulai: The lower-than-expected performances last year, the development of national income and capitalist export, have created a less favorable situation for this year's start than we had thought earlier. We have to achieve the goals of this year's plan predominantly by expanding economical export and improving efficiency. This can be the cover for the growth of national income. In view of the fact that there are more orders on the books--particularly in manufacturing--than a year ago, and since there are no significant problems in the supply of materials and energy, I regard the goals of the annual national economic plan as realistic. But it is evident from the plans of some of the enterprises that they consider the expansion of economical export feasible only with immediate additional investments and larger pay increases. This is a factor that makes for a serious conflict! The more so because 1986 is a critical year: the fulfillment or shortfall of this year's plan could limit

the rate of development for a long time to come.. And another thing: we cannot afford another "cuckoo's egg" like last year!

I. Bihari: Cuckoo's egg? Are we regarding last year's poor performance as temporary merely because we do not dare to face the real causes?

Mrs P. Krauth: Are any analyses being done at all to determine what actually happened in the economy last year?

M. Pulai: Of course. As far as I am concerned, I am even able to give you the economic reasons for the shortfall in the first half of the year. I have regarded as reassuring also the economic processes throughout most of the second half, when the market and production already perked up. But I am puzzled by the decline in December. I think that the underlying causes of our adaptation difficulties are truly structural stresses. But these problems have existed for some time, and in this respect the conditions last year have not worsened.

NEPSZABADSAG: Is it possible that the stresses accumulated, and that last year we reached the tolerance limit in the matter of structural change?

M. Pulai: I do not think so, although the developments last year have called attention to the fact that our structural weaknesses are affecting more and more the everyday business processes; and that we will barely be able to ward off the consequences of all this if also the other conditions worsen. It is indisputable that with last year's system of economic regulation, and especially with its application, we have not been able to provide sufficient incentive and pressure for the production structure's transformation. Efforts to prop up unprofitable specialized subsectors and enterprises lead to compulsory transfusions of income: last year the economic units paid 90.4 billion forints of profit tax, and we spent 102.6 billion forints on production subsidies.

F. Zalka: I was very pleased when it was announced, in conjunction with the modifications for 1985 in the system of economic regulation, that henceforth the better enterprises would get a better deal! During the past five years, through systematic effort, the Machine Tool Industry Works climbed up among the economic units whose efficiency is better than the machine industry's average. We transformed our product structure and increased our profits eightfold. But now we are being deprived of these profits. Together with changes in the other elements of the system of economic regulation, for example, the latest rise of the profit-tax rate, by 5 percentage points this year, will again inhibit the enterprise's development. Thus we will be able to start only after 1988 the investment projects which are warranted by market demand and which we ought to be starting now. On this the national economy has the more to lose.

I. Bihari: I merely want to remind you of the tank analogy: to continually pump something out, occasionally you must also put something in. Structural change is not merely a question of a concept and market; it also requires much money. With a loan from the World Bank, we are now undertaking a significant investment project for the expansion of export. The terms of repayment are stiff. Why does this investment have to be burdened with accumulation tax as well?

F. Berecz: In five years, we doubled our capitalist export, increased our profits sixfold, and paid off our debts. We now have money left for technological development, which is absolutely essential for further product changes. But such equipment is not produced domestically; orders for socialist import must be placed years in advance; capitalist import is limited by the economy's broader equilibrium, and in our case by COCOM bans as well.

M. Pulai: Present here are the heads of four large enterprises that are operating at truly above-average efficiency. We undoubtedly are in agreement that the present practice of the compulsory withdrawal of income and its reallocation is holding back the development of the best enterprises and, through them, of the entire economy. There is obviously need for rapid change. But how? Should we go deeper into debt? We know from foreign experience that this road does not lead ahead. Should we advance the additional resources for the development of the better enterprises? Gladly, but from what? Only an all-round improvement of efficiency can be the basis of growth.

NEPSZABADSAG: It pays to grow only by renewing the production structure and product structure. What strategy have you chosen for the further improvement of your profitability and for strengthening your ability to export?

Mrs P. Krauth: The Cotton Spinning Industry Enterprise's development has been balanced in recent years. On the basis of an investment project we completed recently, we are planning faster development in 1986. We are producers of direct materials. Thus the quantity and quality of our output significantly influence the output of the users, e.g., of the knitwear industry. Therefore our main objectives are: better quality, better supply of the domestic market, import substitution, and the expansion of economical export. But the fact that the manufacturing enterprises, one after the other, are buying modern equipment of high performance, able to operate efficiently only if supplied yarn of very good quality, is a stress for which there does not seem to be any solution. Due to pricing and many other reasons, our profits are not enough to permit the financing of development projects merely with credits, without development-fund grants from the state.

F. Berecz: BHG is exporting two-thirds of its output. Through 1990, we are planning a further expansion of export by 8 or 9 percentage points a year, which will be coordinated with product changes. For this we have competitive products which we ourselves have developed. We have started joint research and development with our socialist partners, and we are planning to obtain a license for another telephone exchange. Moreover, we are also broadening our product mix. The acceleration of import substitution seems the most feasible way of reducing production costs: so far we have been able to keep our capitalist import at the same level as in 1980, in spite of a 90-percent increase in output. I wish to note that our growth is being limited not by the constriction of our export markets, but by the more moderate developmental opportunities of the domestic component and subassembly manufacturers.

F. Zalka: The Machine Tool Industry Works is planning to expand its production by 7 or 8 percent a year, which is more moderate than previously but still a dynamic rate. And we are planning an even faster rise of profits. The extensive product changes during the preceding plan period have enabled us to make



significant cuts in our production costs: in accordance with our plans, we have reduced the size of our work force by one-third, sold off plants, and leased surplus equipment. All this provides a favorable foundation on which we can continue to build. Demand for our NC and CNC machine tools remains high in the socialist markets, and here the quotas are what limits the volumes of economical export. Our sales in capitalist markets also can be increased. China and India are promising new markets. And at home we are pushing for the wider use of robot-supplemented CNC lathes and flexible production systems. If there is sustained economic recovery, manufacturing industry will need such highly productive equipment. And so will the Machine Tool Industry Works. For we have hardly any modern machine tools for our own use. We are like the shoemaker whose wife is always the worst shod.

I. Bihari: I rate the streamlining of the marketing organization equal in importance to product changes. Thus Chinoin's growth rate during the past five years may be termed satisfactory; but not its development, because profits were lower than had been planned. One way of improving efficiency could be to increase our sales of finished products, instead of exporting the active ingredients whose prices contain less profit. For our original Chinoin products, therefore, we will establish a subsidiary first in Britain, and eventually also in France and the FRG. This way we hope to achieve a 90-percent increase of our economical capitalist export by 1990.

NEPSZABADSAG: Accordingly, you have a concept and a market. But will you have enough capital for faster development? In addition to the traditional developmental solutions, what new opportunities do you see for attracting capital?

F. Zalka: We could borrow from the bank, but the experience of recent years compels us to caution. Namely, there could be no guaranty that the terms of repayment would remain unchanged. Therefore we prefer to acquire technology from FRG firms, and to pay for it with products.

Mrs P. Krauth: We would like to increase our large users' direct interest in the production of cotton yarn of better quality. Graboplast, for example, is chipping in 20 million forints for our development program. Among our other efforts, I would like to mention that in 1984 we leased the used equipment of a complete cotton mill in the FRG; its machines are more modern than the ones operating in Hungary. I wish to add that equipment leasing is a necessary solution, but a very expensive one that is charged to costs.

I. Bihari: We would like to proceed further in the modernization of our equipment by relying on our existing cooperational relations, in addition to the loan from the World Bank. We would buy technology, machinery and equipment from our big American partner, and ship in exchange 10 to 12 million dollars' worth of products annually. At first we were considering the founding of a joint enterprise. Because of the separate balance sheet, however, this solution would not have been attractive enough under the present system of economic regulation. I think that this was not taken adequately into consideration at the time when the decree to facilitate the attraction of working capital was being drafted.

M. Pulai: If national income grows as expected, then--according to our estimates--manufacturing industry will have between 150 and 160 billion forints to invest over five years. This represents an increase of 3.0 percent in investment resources as compared with 1985. The Hungarian National Bank has announced a new competition for credits to expand economical export, which could advance the starts of truly profitable development projects. We are also working with the World Bank on financing for a comprehensive structure-improving program package that will affect 10 to 12 specialized subsectors of manufacturing industry. Besides the regulations that facilitate the attraction of working capital, also the banking system's planned reform, and the enactment of new statutory regulations on associations, as well as on economic rehabilitation and liquidations, will probably accelerate the more effective flow of capital between economic units. The conditions for equipment leasing and the sale of surplus assets are improving, and the thriving securities market provides an opportunity for attracting new resources. I am listing all this merely to demonstrate that sufficient resources are available for the enterprises' planned growth if it is based on efficiency. For more fruitful work, of course, we would need a far more selective and more concentrated development policy and industrial policy than what we have at present.

NEPSZABADSAG: But the yield of these development projects, of terms of additional export and additional profits, will be able to "ripen" only by the 1990's. Many enterprises feel that development projects should have been undertaken already earlier, for faster growth at present!

M. Pulai: I do not share this view. First of all, there was development activity also in recent years, and every year--with the exception of 1985--its volume was greater than had been planned. Thus if these investments have been sound ones, we should be enjoying their fruits now. I realize that what I am about to say is very unpopular, and please regard it as my personal opinion: Considering how much national income we are producing and with what efficiency, we are spending too much on investments even now.

F. Berecz: According to our estimates, the average productivity of the enterprises in Hungary's electronics industry is only a third of the average in West Europe. But if we compare the average value of technical equipment per worker, we get only one-ninth for Hungary. It is difficult to produce competitively and efficiently with a stock of capital assets that are so obsolete and worth so little.

I. Bihari: Our investments are necessarily not cost-effective, already for reasons of economic regulation. Probably not the investment is too much, but the capital allocation is wrong, and therefore also the capital efficiency is low.

NEPSZABADSAG: Mainly economic regulation is intended to coordinate the national economic and the enterprise goals. But in this there now seems to be some confusion and mutual impatience.

F. Zalka: The longer-term national economic aspirations--more competition, a stronger market, and the stimulation of export--are clear, and they have met

with understanding at our enterprise as well. But I do not agree with the methods employed. At present we are paying 20 different kinds of taxes. What does that encourage? I will tell you: it encourages [concealed] reserves and a wait-and-see attitude. But retroactive and predated rules and regulations are the greatest factor of uncertainty in enterprise operations. One cannot plan for them in advance.

I. Bihari: The price system does not apply the same standard to everyone! The suppliers and cooperating partners enjoy unlimited freedom, while the manufacturers are squeezed. Squeezing the manufacturers is not enough for an effective policy on fighting inflation! I wonder whether anyone has calculated the national economy's aggregate loss due to the fact every enterprise--regardless of where, in which phase of the technical and technological division of labor, it operates--has the same export incentive and gets the same subsidies? We do not have a supplier industry, and we are just talking about providing a vertical incentive.

F. Berecz: To me one of the greatest contradictions of economic regulation is that it regards the three markets as one, whereas only a part of the capitalist market is functioning as a real market. And so the perplexing system of export-related subsidies and payments to the state budget creates a confusing situation in the evaluation of enterprise performances, and how the enterprises rank in terms of profitability is not related to efficiency. Therefore I am opposed to subsidies also for reasons of principle, and I await the introduction of a tax of the value added type, about which there is so much talk. In my opinion, such a tax would limit also the possibility of income "transfusions," and would permit the truly efficient economic units--whether in manufacturing or in extractive industries--to develop at a faster rate.

M. Pulai: I do not wish to make excuses for the economic regulation system's provisions that sometimes are in conflict even with one another. However, much of these memories is from 1982 and 1983, especially so far as changes during the year and retroactive measures are concerned. At that time the external effects upon the Hungarian economy again occurred unexpectedly and on a large scale. We had to take immediate action, because any delay would have caused even bigger problems, with even more serious consequences for the future as well. How great was the danger is evident from the fact that not only the enterprises had to tighten their belts, but we were forced to reduce also real wages and the real value of many social benefits. Thus not only the enterprises and institutions, but practically the entire country joined the very painful and difficult struggle to avert even greater trouble. I believe nevertheless that the comprehensive further modernization of the economic management system and system of economic regulation--in accordance with the standpoint that the Central Committee adopted in April 1984--will be absolutely essential to achieve the faster development envisaged in the 7th Five-Year Plan. But this requires more decisive and more consistent behavior, on the part of economic management and the enterprise sphere as well. Neither side has enough patience to wait for the effects of various measures, and this is the source of the confusion and mutual mistrust.

F. Berecz: We have long been urging that the economic units be told in advance how much tightening of the regulators, and in which directions, to expect under

a five-year plan. Then the economic units would not be forced to resort to tactics. Incidentally, we always prepare such a forecast as well, and it is not apt to be off the mark.

NEPSZABADSAG: To what extent is it possible to forecast and foresee now the enterprises' plans for the 7th Five-Year Plan?

Mrs P. Krauth: This year's plan has only to be implemented. The enterprise council has adopted the concept of our plan for the 7th Five-Year Plan, and its elaboration is now in progress. But it still contains many factors of uncertainty. We have been employing for some time so-called three-year moving-average planning. It comes closer to the changes in the regulators at any given time and to the foreseeable reality.

I. Bihari: Chinoi's five-year plan has been elaborated already last year, but the enterprise council will be adopting it only now. Besides the main goals, of course, several details are still unclarified, and changes and adjustments are possible. My opinion, incidentally, is that I will not let myself become aggravated by the changes in economic regulation. For if we are unable to devise, for a longer horizon, a "firmer" enterprise strategy than the short-term behavior the tactical changes in economic regulation force us to adopt, then we cannot remain competitive in the world market anyhow.

M. Pulai: I agree that the enforcement of strategic objectives is the most important prerequisite for further progress. It is common knowledge that the 7th Five-Year National Economic Plan is an open-ended plan also in the sense that it is able to accommodate also the enterprise plans which, through the better distribution of resources, could accelerate the realization of our national economic priorities and thereby the entire rate of our progress. I am pleased that here we have now heard about such enterprise plans.

NEPSZABADSAG: Thank you for attending the roundtable.

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ECONOMY

POLAND

## NEW RULES ON TECHNOLOGY TRANSFER, LICENSING PROCEDURES

Warsaw MONITOR POLSKI in Polish No 37, 6 Dec 85 pp 439-445

[Resolution No 184 of the Council of Ministers of 15 November 1985 on Exports and Imports of Scientific and Technical Achievements]

[Text] With a view to a more efficient utilization in export operations of the achievements and potential of scientific establishments, R&D facilities, design offices and other units of the socialized economy as well as to a more efficient use of the achievements of the world science and technology, the Council of Ministers decrees the following on the basis of article 28, item 4 of the law of 26 February 1982 on the management of finances by state enterprises (DZIENNIK USTAW 1984, No 16, item 74; No 26, item 129; No 34, item 181, No 54, item 275 and DZIENNIK USTAW 1985, No 37, item 174

### Chapter 1

#### General Regulations

Article 1.1. The present law sets forth:

1) guidelines for setting up, implementing and developing the exports of scientific and technical achievements, accounting for the proceeds of exports of scientific and technical achievements by the units of socialized economy which own or manage such achievements and compensating the authors of exported scientific and technical achievements.

2) guidelines for the import of scientific and technical achievements by the units of socialized economy and guidelines for their use by the national economy.

2. Provisions of the present law also apply when scientific and technical achievements are released in conjunction with exporting a turnkey industrial project, construction services or other projects.

Article 2. Whenever the law makes reference to

1) scientific and technical achievements, henceforth "achievements", the following are meant:

- a) concepts protected in whole or in part by exclusive rights (inventions and user samples),
  - b) concepts not protected by exclusive rights, unprotected drafts of inventions, results of research, experimental design, development and organizational work, modes and methods of specialized research, sampling and measurements, production skills and experience, new active microorganisms, the results of work on developing purchased licenses and computer programs ("know-how"),
  - c) scientific, research, measuring and laboratory equipment exported and imported in a batch of one or of several prototypes or physical and chemical equations needed to comprehend a scientific or technical achievement,
  - d) technical services aimed at developing scientific and technical achievement, e.g. experimental and analytical work, laboratory and industrial scale research, technical and economic consulting carried out mainly by R&D facilities and design units;
- 2) export of achievements - the following are meant: compensated release of an achievement to a foreign physical or legal person as well as a foreign enterprise operating on the territory of the People's Republic of Poland if it is to be produced, used or employed abroad in any form by that enterprise;
- 3) license - securing the right to use foreign achievements is meant;
- 4) license provider - a physical or legal person with whom the license agreement is signed is meant;
- 5) licenses - a unit of socialized economy on whose behalf the license is purchased is meant;
- 6) foreign trade unit - a unit of the socialized economy empowered by the Minister of Foreign Trade to carry out foreign trade operations is meant.

## Chapter 2

### Export of Achievements

Article 3.1. Provided an achievement will not be made available abroad in the form of efficient exports of products based on this achievement or will not be used or employed in our country or no other indications to the contrary surface, the achievement can become exportable in the form of release or license not tied to the export of products, with the consent of the Minister-Head of the Office for Scientific and Technical Progress and Implementation.

2. Decisions in the cases referred to in paragraph 1 are made by the Minister-Head of the Office for Scientific and Technical Progress and Implementation upon soliciting the opinion of the parent agency or the one supervising the operation of the organizational unit in question and the Minister of Foreign Trade.

3. Export of achievements is carried out on the basis of commercial contracts.

Article 4.1. The Minister-Head of the Office for Scientific and Technical Progress and Implementation, in agreement with the Minister of Foreign Trade, coordinates, in accordance with the guidelines of the Committee for Science and Technical Progress of the Council of Ministers, the organization, implementation and development of export of achievements by outlining the arrangement and mode of preparing the program for such exports and the strategy of promotion and market research.

2. Ministers (heads of central offices) prepare long-range programs and offers of achievements' export in agreement with the Minister-Head of the Office for Scientific-Technical Progress and Implementation.

3. The Minister-Head of the Office for Scientific and Technical Progress and Implementation presents the programs and offers referred to in paragraph 1 to the Presidium of the Committee for Science and Technical Progress of the Council of Ministers for endorsement.

Article 5.1. Exports of scientific or technical achievements are carried out by foreign trade enterprises.

2. Before commencing negotiations concerning the export of an achievement, a contract must be finalized between its owner (manager) and the exporting unit, outlining the conditions and guidelines for allocating hard currency proceeds obtained through the export of the achievement as well as the rate of write-off referred to in article 7, paragraph 1.

Article 6.1. Units of the socialized economy possessing a patent for an invention or exclusive rights to a model or, in the case of an unprotected draft invention, the unit which has made the draft available for use abroad are entitled due to their export operations to funds established and paid out in accordance with specific regulations.

2. Units of the socialized economy other than those mentioned in paragraph 1 which are owners (managers) of an achievement are entitled by virtue of its exports to the funds established and paid out:

1) in case of proceeds in the currency accepted for settlements with a state belonging to the 1st payments area, less the commission of the unit referred to in article 5, paragraph 1, remuneration of the author or authors of the invention and outlays in [foreign] currency entailed by carrying out the contract-in the amount of 10 percent of the proceeds obtained through the export of this achievement;

2) in case of proceeds in the currency of a state belonging to the 2d payments area-in the amount outlined in specific regulations on accumulating and disbursing a part of [hard] currency proceeds by virtue of exporting goods or services; however, no less than 30 percent of this amount should be in the currency in which payment has been obtained;

3) in the Polish currency - the equivalent of the balance of the sum converted according to the exchange rate in effect.

3. Proceeds obtained through exports of an achievement are not included in the base for calculating the rates referred to in paragraph 2, point 2 outlined in specific regulations if the rate established for a unit of socialized economy is below 30 percent.

4. Unless specific regulations provide otherwise, the funds referred to in paragraph 1 and in paragraph 2, points 1 and 2 can be used to purchase the necessary machinery, equipment, goods, licenses, technical and design documentation, scientific and laboratory equipment and services for the needs of domestic production, for the purchase of trade publications, foreign books and periodicals, for covering the costs of participation in scientific symposiums and fairs, along the guidelines set forth in specific regulations and for covering the costs of securing and maintaining the protection of inventions and models abroad.

Article 7.1. Foreign trade units receive commission in [hard] currency with a view to soliciting sales of and promoting achievements. The rate of commission is negotiated between the unit exporting a given achievement and the owners (manager) of this achievement.

2. The rate of [hard] currency commission referred to in paragraph 1 cannot exceed 5 percent of the contract price of a given achievement, and in the case of exporting an achievement referred to in article 1, paragraph 2 - the price of the achievement taken separately from the price of the entire contract, provided, however, that the commission is not less than 3 percent of that price.

3. The rate of [hard] currency commission referred to in paragraph 1 is included in the [hard] currency costs of the transaction, thus reducing the proceeds from carrying out a trade contract.

Article 8.1. The author of a draft invention is entitled to remuneration in the amount determined by specific regulations by virtue of using the rights abroad or making an unprotected draft invention available abroad.

2. The author of an achievement which is not a draft invention is entitled to remuneration in the currency in which proceeds have been received in the amount of 10 percent of the proceeds of export less expenditures in hard currency entailed by the fulfillment of the contract. The remuneration is paid out in accordance with the provisions of the currency law.

3. The payment of remuneration referred to in paragraph 2 occurs upon the receipt of the remittance due from a foreign partner in the appropriate domestic bank.

4. In case establishing a full base for calculating the remuneration referred to in paragraph 2 is not possible at the time the contract is being fulfilled, an advance payment can be made in the amount of between 10 and 20 percent from the proceeds obtained from abroad which is finally settled upon establishing the volume of proceeds and currency outlays entailed by the fulfillment of a commercial contract.



5. In case an achievement is made available to a foreign partner bartering a product or a service (through non-commercial channels) the author or authors of such an achievement are entitled to remuneration in the amount outlined in paragraph 2. The value of the achievement less the currency costs of the transaction constitute the base for calculating the remuneration. The latter is paid out by the unit on behalf of which the barter transaction is conducted at the request of the unit referred to in article 5 paragraph 1.

Article 9. In case of exporting the achievements referred to in article 1, paragraph 2, the surplus of proceeds obtained through carrying out a commercial contract over the expenses in the part determined proportionately to the share of the value of exported achievement in the total value of the contract serves as the base for calculating out the currency commission for the unit of socialized economy (article 6) and remuneration for the authors (article 8).

### Chapter 3

#### Import of Licenses

Article 10.1. Imports of licenses should conform to the guidelines and directions set forth in the national socioeconomic plan.

2. The guidelines referred to in paragraph 1 are prepared by the Minister-Head of the Office for Scientific-Technical Progress and Implementation in the course of work on the draft national socioeconomic plan and is presented by him to the Presidium of the Committee for Science and Technical Progress of the Council of Ministers for endorsement.

Article 11.1. Before the deadline appropriate for preparing draft national socioeconomic and central annual plan, units of the socialized economy on whose behalf the license is to be purchased submit to the parent agencies and supervising units proposals for purchasing licenses along with;

- 1) technical outline of the subject of the license;
- 2) analysis of expected costs and benefits over the period of validity of the license agreement;
- 3) indication of sources for financing the acquisition, implementation and development of the license;
- 4) certification by an R&D facility of the inability to solve the problem within the required period of time in domestic R&D facilities.

2. The topical scope of proposed license purchases should take into account the tasks set by the plans referred to in paragraph 1, especially;

- 1) a list of undertakings classified as investment projects with centralized financing along with technical and economic specifications;
- 2) plans of developing science and culture, including government orders in the field of implementing the results of research work, in cases where a license is a new complementary solution;

- 3) tasks in increasing exports and streamlining imports;
- 4) development plans of the units of socialized economy;
- 5) development programs of economic sectors and branches.

3. Parent agencies and units supervising the operation of future licensees compile lists of the expected license purchases in the course of preparing the draft plans referred to in paragraph 1 and submit the lists to the Minister-Head of the Office for Scientific and Technical Progress and Implementation.

4. The lists referred to in paragraph 3 should specifically mention

- 1) subjects of licenses necessary in order to meet the targets of the national socioeconomic plan and central annual plan indicating the sources and modes of financing;
- 2) subjects of proposed license purchases other than those mentioned in item 1.

5. The Minister-Head of the Office for Scientific and Technical Progress and Implementation compiles a list of proposals referred to in item 3 and submits it to the Presidium of the Committee for Science and Technical Progress for endorsement.

6. The Chairman of the Committee for Science and Technical Progress of the Council of Ministers refers subjects of licenses of special importance to the national economy to the Presidium of the Government for endorsement.

7. In case the need emerges to acquire a license not specified in the above-mentioned lists the procedure outlined respectively in paragraphs 5 and 6 is applied.

Article 12. Further work associated with the acquisition of a license commences upon placement of the subject of the license on the endorsed list referred to in article 11 paragraph 5.

Article 13. Decisions on acquiring, implementing and developing the subjects of licenses on the lists referred to in article 11, paragraph 5, are made by the licensee on the basis of the conclusion and reviews referred to in paragraph 16 within the confines of available currency or currency allocated for this purpose.

Article 14. The acquired license must conform to the Polish Standards and other regulations on protecting human life and health, safe, hygienic and convenient conditions on the job, energy economy, environmental protection as well as on measurements and measuring equipment, and also insure appropriate:

- 1) development of the subject of license in the future;

- 2) savings of energy, fuel and raw materials and rational utilization of national resources;
- 3) high quality and profitability of production;
- 4) increase in labor productivity;
- 5) utilization of existing production capacity;
- 6) development of exportable production.

Article 15.1. The licensee is responsible for the economic feasibility of the acquired license, prompt implementation and securing the projected economic and technical advantages as well as ensuring financing.

2. The future licensee is obligated to:

- 1) compare the costs of acquiring and putting on stream the subject of a license with the cost of a non-license alternative, in accordance with an economic review using the sample format appearing in Appendix 1;
- 2) obtain expert consultations on the economics, technology and maintenance of the subject of a license and safeguarding the interests of the Polish side;
- 3) look into the conformity of the standardization system of the license provider with that in use in Poland and with the system of measures;
- 4) carry out the studies of the technical level and legal protection (patent review) of individual proposals inside the country and abroad;
- 5) analyze whether the countries in the 1st payments area have a solution concerning the subject of the license;
- 6) choose the most favorable offer from abroad from the standpoint of technical and economic environment for its productive use as well as the opportunities for acquiring raw and other materials for licensed products from the states of the 1st payments area;
- 7) share the solutions and experience following from the acquired licenses with the units of socialized economy if the licensing agreement so provides.

3. The tasks referred to in paragraph 2 are solved by the licensee in cooperation with scientific establishments, R&D facilities, foreign trade organizations and units participating in the implementation of the subject of the license.

Article 16. A request to acquire a license is compiled by the licensee in accordance with the sample in Appendix 2 to the present resolution and submitted for review:

- 1) to the main consumer - concerning the operational feasibility of the subject of a license;

- 2) minister (head of central office) into whose jurisdiction the subject of the license falls;
- 3) the relevant bank - concerning the creditworthiness of the future licensee if the latter intends to seek a bank loan in order to finance the investment associated with implementing the subject of the license;
- 4) Inspector - General of the Energy Economy - concerning the fuel and energy supply and the volume of production earmarked for the country's market if the license acquired is for energy equipment;
- 5) Chairman of the Polish Committee on Standardization, Measures and Quality - Concerning compliance with the national system of standardization and measures, and solicits information in the Central Registry of Licenses on whether such a license has already been purchased and by whom.

Article 17. Acquisition of a license for the needs of export to the states of the 1st payments area requires prior confirmation of purchases of the product produced under the license in relevant protocols on economic cooperation with a given state.

Article 18.1. The cost of cooperation and supply imports for the needs of production under license cannot exceed 25 percent of total costs of materials and elements used to turn out the product.

2. If the value of cooperation and supply imports is above that outlined in paragraph 1, conclusion of a licensing agreement on the production of goods earmarked for export or goods previously imported from the states of the 2d payments area requires the consent of the parent agency or a supervising unit.

Article 19. The deadline for implementing a license which does not call for investment projects should not exceed 12 months from the day the licensing agreement takes effect.

Article 20.1. The licensee must carry out an economic and technical review of the subject of a license with a view to a decision concerning its further development within 12 months of the licensing agreement taking effect. In case the decision on developing the subject of the license is made, the licensee is obligated to work out a relevant program of development and export of the licensed product.

2. Work on the program referred to in paragraph 1 is carried out by the licensee in cooperation with the pertinent scientific establishments, R&D facilities and foreign trade organizations based on the profitability and prospects domestically and abroad.

3. In case the commencement of work associated with implementing the program referred to in paragraph 1 is essential for the national economy but beyond the financial resources of the licensee, the parent agency, supervisory unit or the Minister-Head of the Office for Scientific-Technical Progress and Implementation, upon evaluating the significance of such work, can contribute to its financing through a procedure and along the guidelines set forth in the regulations on financing R&D.

Article 21. Control and accounting for the implementation and development as well as economic and technical results of the acquired license are maintained over the period of validity of the licensing agreement, but no shorter than until the time the outlays for acquiring and implementing the license are recouped.

## Chapter 4

### Joint Regulations

Article 22.1. A foreign trade organization is responsible for the commercial and legal aspect of the agreement on selling or purchasing an achievement. Specifically, the concluded agreement must ensure the most favorable commercial, financial and technical conditions possible, including, in the imports of achievements, financial guarantees of the license provider concerning the reliability of technology and equipment and compliance with other exclusive rights.

2. The foreign trade organization registers the agreements in the Central Registry of Licenses immediately after the agreement takes effect and deposits one copy at the registry where it is kept for 5 years after the day the agreement expires.

Article 23.1. The Minister of Foreign Trade establishes:

- 1) basic guidelines for preparing and negotiating agreements concerning exports and imports of achievements as well as requirements for obtaining export and import licenses;
- 2) procedures for making available or acquiring technical documentation;
- 3) the scope of data describing the achievements made available and licenses acquired for the needs of the Central Registry of Licenses;
- 4) guidelines for analyzing the conditions of agreements signed over 2-year periods and referring the results to interested foreign trade organization.

2. The Minister of Foreign Trade establishes the scope of the data referred to in paragraph 1 point 3 in agreement with the Minister-Head of the Office for Scientific and Technical Progress and Implementation and the Chairman of the Central Statistical Office.

Article 24. The Chairman of the Central Statistical Office will bring the guidelines for statistical evidence on the export of scientific and technical achievements and acquisition, implementation and development of licenses in line with the provisions of the present resolution.

## Chapter 5

### Provisional and Final Regulations

Article 25. Imports of scientific and technical achievements and their use for the needs of national defense are governed by other regulations.

Article 26. Guidelines for calculating and paying out to the owners of achievements and their authors the sums referred to in articles 6 and 8 in consideration of making the achievement available abroad on the basis of commercial contracts finalized before the day the present resolution took effect and not settled before that day, are applied to the payments made after the resolution takes effect.

Article 27. The following are invalidated:

- 1) resolution No 77 of the Council of Ministers of 29 May 1979 on the export of scientific and technical achievements and technical services (MONITOR POLSKI, No 16, item 94);
- 2) resolution No 58 of the Council of Ministers of 5 May 1978 on acquiring licenses for using foreign scientific and technical solutions and production experience in the national economy.

Article 28. The present resolution takes effect on 1 January 1986.

Chairman of the Council of Ministers: Z. Messner

Appendix No 1 to Resolution No 184 of the Council of Ministers of 15 November 1985 (item 246)

### Sample

#### Economic Analysis

1. Analysis of license acquisition must respond to the question of whether it is feasible from the economic standpoint to purchase a license and whether it is possible to obtain certain technical solutions through own research and development.
2. Projects associated with acquiring a foreign license must meet the requirements outlined in the order of the Chairman of the Planning Commission of the Council of Ministers of 26 July 1974 on the criteria and methods of evaluating the economic efficiency of investment in production and other development projects (MONITOR POLSKI No 28, item 167).
3. In case it is impossible to carry out the analysis referred to in paragraph 2, the project should at least meet the simplified criterion.
4. Meeting the following condition is the simplified criterion in effect for license purchases:

$$\Delta B + N + I \times K > K \times (D + Y) + M$$

where  $D = O + Z$

No	Economic indicator	Total cost notations
1	Outlays for R&D work needed to develop new technology by domestic research facilities (in zlotys), excluding the expenditures made before the decision on acquiring a license is made	$\Delta B$
2	Outlays needed to acquire a foreign license - in foreign currency	D
3	Fixed license fees - in foreign currency	O
4	Variable fees (royalties) - in foreign currency	Z
5	Rate of exchange of the foreign currency into Polish zlotys	k
6	Investment outlays in zlotys inside the country necessary to expand on an industrial scale the new technology developed domestically	N
7	Investment outlays in foreign currency needed to expand the new technology developed by national R&D centers - in foreign currency	I
8	Domestic outlays in zlotys needed to expand on an industrial scale the new technology acquired by purchasing a license	M
9	Investment outlays in foreign currency needed to expand the new technology acquired by purchasing a license-in foreign currency	J

Appendix No 2 to Resolution No 184 of the Council of Ministers of 15 November 1985 (item 246)

#### SAMPLE

#### REQUEST TO ACQUIRE A LICENSE

-----  
PARENT AGENCY (SUPERVISING UNIT)

SECRET  
(upon preparation)  
Copy No....

-----  
Licensee

#### REQUEST

to acquire a license for:

-----  
should contain:

1. A statement on the purpose of acquiring a license and a review of achieving a verifiable technical advance.
2. The subject of the license including a profile embracing a description and technical and operation performance of machinery, equipment and products, the up-to-date nature of design concepts, technological processes etc. and a discussion of the system of measurements and standardization issues in the licensed product as it relates to conformity with the Polish standards and measurement regulations.
3. Economic analysis - a justification for purchasing the license, mentioning the recoupment period for planned investment outlays (Tk) and an efficiency indicator (E).
4. Information on the opportunity of setting up cooperation with the states of the 1st payments area, also including data on:
  - 1) the opportunity to acquire in these states a solution of the license's subject;
  - 2) the opportunity to procure from these states raw and other materials and to establish industrial cooperation.
5. Patent environment in Poland and abroad with regard to the license recommended for purchase.
6. The highlights of the licensing agreement over the period of its validity and upon expiration, including: the time of validity, the scope of production, sales and export rights, area of sales, principles of responsibility, guarantee clauses, scope of training, transfer of improvements, etc.
7. Suggested license provider and technical - economic justification for the selection made upon considering the offers of at least two companies, indicating the one preferred by those submitting the request.

Company

Country

8. Cost of purchasing the license (over the time of validity of the licensing agreement):

- 1) fixed license fees.....1,000 zlotys
- 2) variable license fees.....1,000 zlotys
- 3) total license fees.....1,000 zlotys

as well as a reference to the currency, mode and method of settlement for license transactions and eventual other financial commitments by arrangement between a foreign trade organization and the license provides or the tentatively negotiated draft contract.

Attention: point out the source of financing license fees.



9. A list of accompanying licenses associated with acquiring the license for the main product, specifying the following

Subject of license for a subassembly or material-company, country	Domestic partner	Start-up of the subject product of sub-license confirmed by an agreement
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10. The need and opportunity for attaching to the suggested license a contract for deliveries of Polish goods and a statement on whether such contracts are being signed or expected to be signed with the same partner and in the same matter.

11. The assortment (specify precisely) and volume of accompanying imports associated with the acquisition of the license for the main product and the accompanying licenses, referring to the data on the volume, schedule and sources of imports broken down into:

- 1) raw and other materials and semi-finished product, with technical specification;
- 2) machinery and equipment, including spare parts for the machinery;
- 3) special instrumentation;
- 4) assemblies and parts for assembly and spare for the licensed product, with specification;
- 5) services;

according to the following sample:

No	Kind of imports	Place of purchase: 1st or 2d payments area	Value of imports in 1,000 zlotys in the years 19..19..19..19..19..	Total value of imports
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Attention: discuss the measures taken to minimize investment, cooperation and supply imports.

12. Statement on ensuring the currency funds for the individual import items mentioned in paragraph 11.

13. Volume of outlays and funds needed to utilize the license in practical economic activities, including investment and other outlays needed to apply the license in practical economic activities.

14. Expected volume of direct and indirect export of the licensed product over the period of validity of the contract, emphasizing the markets of the states in the 2d payments area, as well as the expected efficiency of this export and an overview of opportunities for and taken in order to enhance export production.

15. [Company] names of main contractors which will use the license. The degree to which raw and other materials and subassemblies for licensed production have been assured.

16. Schedule for using the subject of the license in practical economic activity (production of the first piece, pilot run), expected volume of target production and timetable for achieving it.

17. List of the main users and purchasers of licensed products.

18. Appendices:

- 1) services referred to in article 16 of the resolution;
- 2) review by the R&D facility pertinent for the product in question on the technical side of the purchased license, taking into account standardization issues and the opportunities for further development and improvement of the subject of the license;
- 3) written statement by the pertinent foreign trade organizations on the opportunity for exporting the licensed product;
- 4) review of the patent expert retained by the licensee concerning the patent situation of the license subject;
- 5) draft of the licensing agreement;
- 6) review by the Polish Ship Register if the license is for machinery, materials and products for outfitting ships.

Signatures and seals:

-----  
Preparation team

telephone \_\_\_\_\_

9761/9869

CSO: 2600/203

-----  
Director (licensee)

telex \_\_\_\_\_

ECONOMY

ROMANIA

## PROBLEMS IN TRUCKING OPERATIONS DISCUSSED

Bucharest REVISTA ECONOMICA in Romanian 10 Jan 86 pp 18-19

[Article by economist Mihai Secheli: "Organization, Legality, and Discipline in Trucking Operations"]

[Text] One of the most topical problems of Romanian economy is optimizing trucking operations through the most efficient possible utilization of the fleet of vehicles, which will help reduce fuel consumption.

Obvious efforts have been made year by year to achieve improvements along this line; legal regulations have been enacted to improve organization and leadership in this area; the fleet of vehicles has been reorganized, and the experience gained by the competent factors has substantially increased. Due to the concentration of the fleet of vehicles, annual savings of conventional fuel total approximately 22,000-24,000 tons, while the consumption norms for passenger transportation have shown a tendency to drop.

Steps have simultaneously been taken to base goods transportation on coordinated and improved transport programs (even if the programs have not always met requirements), to select the optimal routes, to load the vehicles to capacity, and to eliminate empty runs. In the forestry and construction areas (concerning the supply of building sites with balast-pit and other bulk materials) transports are now carried out in organized convoys, thus eliminating unsupervised individual traffic.

Similarly, in order to improve the utilization of the fleet of vehicles, to reduce time in traffic and stationary periods, and to increase the commercial turnover the Council of Ministers has approved programs of measures particularly designed to: develop storehouses and work approaches; reduce loading and unloading periods by utilizing modern, mechanized equipment; run transports on the basis of annual economic service contracts; cut repair time by efficiently ensuring replacements for worn parts, carrying out repair work in two or three shifts, and discontinuing the utilization of very old vehicles; coordinate development studies for the fleet of vehicles with the manufacturing plans of the Ministry of Machine-Building Industry (concerning types and number of vehicles, and emphasizing the production of modern vehicles that require lower fuel consumption).

As economic coordinating bodies in this field, the ministries in charge of supply and transportation have also issued regulations designed to ensure uniform efforts to optimize the road transportation of raw and other materials.

The regulations adopted to reduce fuel consumption and achieve great savings are tailored to conserve resources and to promote an economical spirit in each person employed in the road transportation sector. The purpose of the measures adopted is to ensure: optimal transport routes, without detours or cross runs; utilization of the vehicles to capacity or nominal volume on the entire route, and intensive and extensive utilization of trailers; efficient utilization of fuel and fuel savings, and reduced transportation costs. By definition, these major requirements make it mandatory to work out, implement, and closely observe the plans designed to optimize road transportation.

However, some analyses have highlighted the fact that yearly some 25-30 percent of the loading capacity of the vehicles is still unused; this volume can be turned to good account merely through additional organizational efforts on the part of the carrier and customer, without necessitating additional personnel, fixed assets, or budget expenditures.

#### Some Causes of Wasted Load Capacity

The deficiencies can be clearly spotted just by examining the service records, which in some cases show:

- failure to utilize all the vehicles to capacity (except for those used to transport bread and milk products, and dump trucks); longer unloading time than envisaged in the relevant norms; late arrival of the carrier to the point of destination (due to lack of discipline on the part of the driver and particularly to mechanical trouble on the way, a fact which indicates unsatisfactory repairs);

- absence of work sheets showing the existing transportation capacities according to classifications, which should show both the tonnage required by customers for each type of vehicle, and the available and reserve resources of the carrier, as well as the vehicles already under contract. That is why carriers attempt to fulfill their contract obligations not according to classifications (capacity groups), but for the entire fleet, although certain specialized groups are of a particular importance in the allocation of the transportation volume.

The law of economic contracts is violated, sometimes deliberately. For example, a carrier sometimes signs transportation contracts not before the plan year, but during it, even as late as in April (the fault being sometimes his, and sometimes the customer's). Carriers contract out lower transportation capacities than are available or in demand, in order to more easily discharge their contract obligations. (For example, in one calendar year the TRANSCOM enterprise contracted out only 83 percent of its average active capacity--calculated on the basis of the utilization coefficient of the fleet of vehicles--and 59 percent of its inventory fleet) Similarly and for the same reasons, the service enterprise does not confirm and does not fill out

additional documents when customers request increases in the transportation volumes under contract. There are cases when the carrier forces the customer to confirm in the contract a minimum tariff utilization time (for example: 10 hours daily for the winter period--1 November-31 March, and 12 hours daily for the summer period--1 April-31 October-- so that he can have 3-4 runs daily), a practice that does not take into account the customer's needs. The carrier does not always observe his obligation to request from the customer monthly transportation schedules divided into weeks and days, nor diagrams showing the distance between work points, the documents that serve as basis for confirming route logs and vouchers, i.e., for the vehicle runs. In their turn, transport customers do not work out precise annual schedules--divided into quarters, months, and 10-days periods--for the goods that are to be shipped and the means of transportation required, although practice, type contracts, and standard formulaires require such data.

Some customers (the Bucharest juice and soft drinks enterprise; the Bucur-Obor State Trade Enterprise, the Alimentara groceries of sectors 1, 2, and 3; the Enterprise for Tourism, Hotels, and Restaurants, and others in Bucharest) and even some carriers do not implement programs to optimize transports, although they are required to do so by law; this leads to disorganized transports, below capacity, and to additional fuel consumption; the faulty record keeping and supervision system of road transports makes it impossible for either the carrier or the customer to learn the real situation.

Invoking existing organizational deficiencies, some drivers, working under the overall contract system, request the personnel in charge of confirming their route logs and transportation vouchers to mark down additional hours and mileage, and capacity loads regardless of the actual load volume, so as to be able to receive full or even higher pay, sometimes even blaming the customer for not having loaded the vehicle to capacity; the customers accede to such requests because they also do not want possible inspections to reveal that they do not utilize the available fleet of vehicles to capacity; in his turn, the carrier, too, acquiesces in this negative practice, because it makes it easier for him to "fulfill" his plan, while being covered by "correct" documents--but illegally using pay funds in excess of those due for the actual services rendered.

Leaving to the side the disciplinary and sometimes even criminal aspects of such irregularities, we want to stress that they are being perpetrated at the expense of other customers, whose requests for means of transportation for accidental needs are sometimes not met.

Another irregularity consists of incorrect records showing fuel and lubricant utilization (including "vouchers fixed quantity vouchers"), and the fact that fuel and lubricant inventories are sometimes not done every 10 days, monthly, and quarterly.

We do not want to create the mistaken impression that the above organizational and disciplinary deficiencies constitute a frequently encountered phenomenon. Nevertheless, the situations noted in the above mentioned analyses clearly show that such violations cause not only unsatisfactory utilization of vehicles and failure to fully meet customers' requirements, but also

contribute to maintaining high costs in the road transportation sector. Along this line we want to recall that the national plan for 1986 specifically envisages that in the road transportation activities of economic units belonging to the various sectors of the economy such costs should be lower than at the relevant ministry.

We now want to suggest to the responsible bodies to focus their attention on several measures which, although known, are not being consistently implemented although they can greatly eliminate the causes of the existing deficiencies.

#### Current Optimization Issues

In our view, the central economic ministries and organizations that have a fleet of vehicles or transportation capabilities should issue specific instructions to their units on how to draw up optimization programs.

We also believe it necessary to reinforce the responsibility of balance sheet coordinators concerning the obligation to regularly draw up optimization calculations for transportation and economic analyses prior to issuing allocations and signing delivery contracts, so as to ensure shorter transportation distances, eliminate superfluous runs, and organize optimal supply and delivery zones.

Here is a case of failure to comply with this obligation. The industrial coordinating centrale for laquers, paints, and diluting agents allocated thousands of tons of products of joint series manufacture (produced by two or more manufacturers) to supply customers located at great distances. For example, the Azur enterprise of Timisoara shipped materials to customers in Bucharest (553 km. one way, whereby the metal containers had to be returned to the plant) and to neighboring counties, when such products could have been supplied by the Policolor plant of Bucharest, which had the necessary production capacity, and vice-versa.

As is known, such optimization calculations are made yearly, quarterly, and even monthly--according to case and products--through computation or cartography centers, in keeping with the number of suppliers and customers and to the volume of the respective materials; the law allows for changes when justified, such as when plan adjustments require such changes.

It would be very useful to more judiciously correlate delivery-reception schedules, particularly in the cooperation-collaboration relations among various economic units, with a view to fully utilizing the means of transportation in both directions. This measure can be implemented in very good conditions even within the fleet of the same ministry, through a detailed cooperation plan; for example, shipping various materials and products on vehicles belonging to county supply bases to customers' storehouses, and on the return trip bringing recoverable and reusable materials, naturally charging for the transportation. This suggestion can be implemented through a synchronized transportation plan.

In order to utilize the fleet--belonging to a unit or under contract--as efficiently as possible, the economic units must work out, on an annual,

monthly, and 10-days basis, special optimization programs for all their transportation needs, taking into consideration the requirement to: shorten transportation distances by selecting the best routes; maximize route utilization (ensuring full capacity or volume loads for the entire route, while optimizing shipping lots); reduce the distance between the parking zone and the loading-unloading site; reduce transportation costs by intensively and extensively utilizing trailers; select the appropriate type of vehicle according to the shipment category and nature of the goods; carry out local collection or distribution transports on the basis of special daily schedules, which should mandatorily indicate: points of service, routes, and arrival time; utilize high capacity trucks, trailer-tractors with saddle, and semi-trailers or auto-trains for interurban transportation, so that all loading, unloading, collection, and shipping activities should proceed efficiently; note down in the vehicle log the data stemming from the optimization program, whereby the customer should also note: "transport in keeping with the optimization program." The computation of the calculations and the optimization programs and their implementation must be examined at least once every month by the management of the respective unit, which should take measures to correct deficiencies and improve activities by all the sides involved in the immediately following period.

12782

CSO:2700/84

MILITARY

GERMAN DEMOCRATIC REPUBLIC

HARDSHIPS, CONDITIONS OF NAVAL DUTY REPORTED

East Berlin SPORT UND TECHNIK in German No 11, Nov 85 (signed to press 16 Oct 85) pp 20-23

[Article by Jan Flieger]

[Text] The climb to the Crystal Pass in the Caucasus had taken place just three weeks ago. Is it possible that an experience could be even more impressive? And yet--a different adventure surpassed the experience in the Caucasus. An unforgettable adventure: six days and nights on a motorized rocket boat of our People's Navy on the high seas!

The sea: it has shown me many faces, friendly, angry. Each trip was different, new. I experienced the "duck pond," the calm sea, periods of no wind, and the "bag-trips" in heavy seas, where the waves broke over the windshield of the bridge right into my face. I still have a feeling of respect for the men with the berets, in the white Kiel shirts with the blue collars and navy-blue pants, about whom I want to write a book. This was also the reason for my trip. But how should I begin my report? My notebook is filled with small handwriting to the very last page. Intentionally I begin the trip as does any sailor returning from a short shore leave. At 23:44 hours I board the express train in Leipzig. One minute later the train leaves the station, depositing me in Bergen at 6:09. A bus takes me directly to the naval base. The adventure is about to begin.

The first stop is a "floating barracks," for the type of barracks that are familiar to ground forces does not exist here. The floating barracks is docked at the pier and right beside the barracks ship, so that they can be manned in minutes, are the rocket and torpedo boats. There are cabins in the floating barracks and in the cabins are bunk beds. The passageways are bright, just like those on the "Voelkerfreundschaft," on board which I once sailed to Cuba. Almost immediately I experience a feeling of well-being evoked by pleasant memories. The first day is spent getting accustomed to my new surroundings. But at 19:30 sharp, just as had been previously announced, there is a knock on my cabin door. The "Wartburg" is waiting at the pier. It will bring me to the area in which the rocket boats are to be moored tonight, including the one on which I will sail. The pier: here the rocket boats are moored alongside each other, gray on gray, their masts in a row, their sterns toward the pier. A captain greets me, shows me the ship, "my" ship, the



rockets, the fully-automatic artillery weapons with the unbelievable firing rate of several hundred rounds a minute. The masts with the antennae, ship's electronics for the rapid identification of and response to warships on the high seas, the radar antenna under its rounded covering on the afterdeck.

I board the ship from its stern, over a narrow wooden gangway, and then walk toward the starboard gangway, which in the direction the boat sails is on the righthand side. It is a new world, one where it is necessary to draw your head in and watch out for your fingers when you climb through manholes or hatches to other decks, into storage cabins or galleys. Everything is very narrow--it is a world for slim people: the gnagways, the ladders, the hatches, the transverse and longitudinal bulkheads (walls in the ship), the battle stations, the frame, the messes, the cabins and the bunks. I become acquainted with the ship from the masts to the bilge, the lowest part of the ship just over the keel. On the 12 man deck, 12 sailors sleep, on the 8 man deck, 8 mates. No one has much space, including the officers--the commanding officer, the first watch officer, the second watch officer, the chief engineer, the watch engineer, the officer cadet, who is carrying out his practical training. The smallest space, the very smallest, has to be used. There are four sinks, two toilets. The commanding officer explains to me the combat sectors ["Gefechtsabschnitte"] or GA's: the rocket G.A., the G.A. for communications and surveillance, the machinery G.A. The tasks are defined according to "roles" by means of which the crew is assigned to the ship's command posts and battle stations. There are the every day roles and the combat roles. One of the daily roles is the role for docking and for putting out to sea.

The first night in my bunk on board ship, the ship rocks gently. "Tomorrow," I hear in the darkness, "we'll be able to cut the air into blocks as big as P.O. boxes." The bell rings shrilly in the night. Everyone jumps up, rushes up the gangway. Each man knows his task according to his role and even in the narrowest spaces the men do not collide with each other. But not until morning do we put to sea. The battle alarm is sounded, the commanding officer stands outside on the bridge, the primary command post, the engines are running. The crew has reported to the forecabin, the forward part of the ship, and the stern, the rear. Everyone is wearing the dark orange combat suits which have three essential functions: first, as a life-saving device because of the built-in life jacket; second, as protection against means of mass destruction; and third, as protection from the cold and wet conditions. The body of the ship trembles with the rhythm of the diesel engines, the lines are hauled in, the fenders. The ship is underway.

I stand on the bridge beside the commanding officer, right behind the helmsman and the engineman, two seamen. Behind me are the artilleryman and the signalman, two seaman apprentices. The only protection from the wind is a glass plate in front of us, both sides are open. I watch the movements of the helmsman's hands as they operate the steering apparatus which allows the boat to turn, which makes it possible to steer according to a predetermined course and to carry out course changes. The rudder angle indicator, which I now notice, indicates the position of the rudder in relation to the ship's direction. The voice of the commanding officer: "Rudder amidships!" And again: "Starboard engine ahead. Rudder hard to port!" The helmsman operates

the wheel, the ship begins to turn. He repeats each order before he carries it out. I notice that the rudder angle indicator points to zero, the rudder is lying amidships. And once again the voice of the commanding officer: "All engines ahead!" The engineman opens the engines. We sail!

The hands of the helmsman no longer rest on the wheel, since the automatic pilot keeps us on our intended course.

The voice of the commanding officer: "Rudder starboard 15, new course: 20 degrees!" The course is changed. The helmsman once again uses manual steering, the boat turns, the commanding officer orders the ship to speed up: "3 times 17." Now the engines will really run. The engineman pushes the buttons in front of him, rings the acceleration into the engine room, confirms that the order has been executed: "3 times 17, aye, aye." The radarman switches on the radar facility. I look down the gangway. The first watch officer is standing by the radar station, watching for targets to appear.

Noon: the cook brings the meal onto the bridge, plate by plate. What a balancing act! "What are we having, cook?" asks the engineman even before he reaches for a plate. "Goulash made of nightingales and horses, one to one." He really knows his stuff, this cook, although he has no formal culinary training. And in the evening, between supper and lights out, he cooks a favorite delicacy: "red grits." Every "mess" tastes good, whether at noon or supertime. There is more food than there is on land, the ration for each man is larger.

The helmsman looks at the sky. "High cirrostratus clouds," he says to me, "that usually means bad weather." He's right, it doesn't take long. The sea gulls are flying with more haste. A storm! A friendly hint to me, delivered with a grin: the best medicine for seasickness is bread! The stomach should not be empty, otherwise you only bring up bile. The wind picks up and the whitecaps multiply, soon they are everywhere. Already we see traces of foam, the faces of the men on the bridge remain calm. The waves grow higher and higher, their crests break, leaving behind great white patches of foam. The wind is whipping up more spray, the commanding officer turns to me, grins: "A rough sea, an umbrella won't help here." The helmsman laughs, the sky grows darker and darker. We sail into the waves, which are crashing over the bow. Water hits against the windshield, washes across the upper deck and smashes into the conning tower. It breaks over the windshield. I expect to get sick, but I don't vomit. The men on the bridge and below deck are accustomed to such trips, they call them "bag-trips." The commanding officer orders our speed to be cut. Lightning flashes in the ocean before us. During one flash you can clearly see all of the contours of the ship. The whitecaps shine with a unique brightness. The rain increases, as does the wind. It is as if we were moving against a wall of wind. We travel into the storm. I hold fast to the handrail. One after another, the troughs of the waves follow each other. For a second my feet hang in the air. Again and again. Don't concentrate on getting seasick! Don't think about it! But I know it's no disgrace to get seasick. Everyone has told me that. Some get miserably sick on every voyage, others never. But no man abandons his post. In this they are solid as rocks, these men on deck and below deck. You can tell who is a true sailor during a storm. They all become men during this tour of duty, without exception.

The commanding officer orders our speed to be cut back further and our direction to be changed. "Starboard rudder 15, reverse course!" As quickly as a storm comes, it can be over just as quickly. The wind turns, the mountainous waves grow smaller and the sky brightens. What remains is an expansive sea, the ground swell. The sea is gray, as gray as our ship.

The base... a reading in front of sailors on a different rocket boat. A reading which will be repeated on other ships in the fleet. I am picked up from the floating barracks. A bicycle is ready, I ride off with an officer cadet. Very far away I see the other pier to which I am heading, it also has a barracks ship with rocket and torpedo boats.

17:54: I board the ship, climb down through the hatch and along the steep gangway to the 12 man deck. The sailors are sitting tightly pressed together, every free spot in this very narrow space is used for a stool. I look into many faces, some waiting reservedly, some curious--but I am familiar with this. Each audience must be won over anew. I like young people, their frankness, their honesty. Here we go!

A stool is free at the long table, placed at the front. A large mug of coffee, strong, the way it is usually drunk here on the ships--one-half cup of instant coffee to one-half cup of water--is ready for me. I sit down, catch sight of the open hatch and the sky above my head. It is a beautiful evening. No wind. I am about to introduce myself, but see that they know me, my book "Das Tal der Hornissen" [The valley of the hornets] is in several hands.

I read from my work in progress "Wo blueht denn blauer Mohn?" [Where does the blue poppy bloom?]. I like to read from this book as it tells an unusual love story: the problem of the "army" seen from an honest and youthful perspective, candid, with all of the good and all of the tough sides. Love and army and the problems which result. Who is more concerned with such problems than this audience? Young men who joined the navy at age 18, or who are already somewhat older... But this discussion does not begin until later. So I read from the love story of Miriam and Kussmaat. After 10 minutes, it is as if a spell has been cast over the place, there is no sound on the 12 man deck except for my voice. Now every face is intent, listening. I think to myself--encouraged by the prepublication printing in S&T and the countless readings--that this book will be a success. Still, the effect it has on the public is always an intense experience for me.

I look up. My listeners want to hear more, but I would like a discussion. Love and army: here can be seen the strength and durability of a relationship, here can be seen whether a girl can be counted on, for life as well. With this we are already in the middle of a discussion, a very open one. Whether lieutenant or seaman, each man takes part, each has equal status in the discussion. In the People's Navy no one whispers behind his hand. A ship like this shelters a true collective. Honesty and comradeship are trump. But I know this already.

Many weep when they leave ship, even though at times they may have cursed. I ask: "Who has had a relationship break up while he was in the service?" Many

tell their stories without shyness. Each one takes part in such a collective. No one is alone with his heartache. One man went with a girl for three years, became engaged before joining the army, one day he comes home after twelve weeks, meets his girl at the factory gate, sees her with her girlfriend, yet there is no joy, but rather fear, in his girl's face. "My letter?" she asks. He hasn't received it, not yet. So she has to tell him openly, although she wanted to avoid him and send him the ring in a letter. In a letter! Now she has a different friend. The sailors call this "getting hit over the head with a hammer."

The men here have hard duty, hard but also beautiful. They come from "out there," perhaps after a "bag-trip," tired, exhausted, and then read a letter like this, which comes as a complete shock. One of them shows me a letter like this. A girl from Oelsnitz writes: "Recently I've been spending a lot of time with a man from Adorf. I don't think this is anything that will last, he has a steady girlfriend and a son, but even if we split up, which will probably be the case, and we remain only 'good buddies,' this does not change the way things look right now. I'd like to live with more freedom and fewer restrictions. I don't know whether you will understand all this. Don't worry about the guy from Adorf, he is a small piece in the mosaic of my life. Just assume that I am an 'average girl' and that you will find someone like me again. So long, Your Simone."

As simple as that. Many letters are much shorter. Four lines after three years together. This letter was long in comparison... We talk and don't notice that it is already 21:00. I look at the hatch and into the night. The sailors say: "The girls think we're having a great time here. But we only have our duty and a trip home every few weeks. Having a steady girlfriend can give you the strength to go on." And there are enough examples of enduring love. I tell the men: "You have to hold on to these girls. And protect them. But there will always be 'Dear John' letters."

Once again at sea. The ocean is broad and deep blue. And smooth as glass. A "duck pond." We spot a submarine chaser, a fishing cutter, a ferry. "Cut port and starboard engines!" We drop anchor and the ship starts to swing around, the usual motion of a ship lying at anchor. The water splashes lazily against the sides of the ship. Now training begins. The MIG's, representing the enemy, fly towards us. The ship's electronic defense system will detect them long before they can be seen with the naked eye.

A message: "Aircraft, starboard 50, up 40, course left." Air raid warning! Each man on the bridge and below deck knows every move. Over there! A small dot on the horizon, a black dot. The artilleryman has it in his sights. A MIG-23 overflies us, followed by a second. "Aircraft, port 120, up 30, on approach."

I watch the artilleryman who directs the gunsight turret to the aircraft and will only act if the electronic system fails. Sometime later a Tornado overflies us so low that its shadow falls on our ship! The real enemy is so close that you can see the pilot... And once again: "Air target, starboard 20, up 30, course left."

"Rudder hard to port," the commanding officer orders. Air raid alarm! The bell rings.

The water is sliced in two by the bow of the ship. It foams up brightly. "How fast?" I ask the commanding officer. "35 knots." "How fast is that?" "64 km/hour." Faster and faster! We race across the water, behind us the other boats in our wide, foaming wake. The wind is onshore, blowing from the sea onto land.

In the afternoon it begins to drizzle, a haze lies over the water. The wind picks up again and cuts into my face, the helmsman nudges me. "Over there! A stowaway!" A small black bird with big yellow eyes, its strength exhausted, perches in front of the windshield. It will travel along with us until it can fly once more. Such guests turn up often. Those which are helpless are taken below until they have recovered. I feel even closer to the men for their kindness to these creatures.

Once again back at base. The ships are moored, tied up. Evening on the pier. A barbecue and music. An evening of peace and conversation. Next day once again to sea: only traces of whitecaps. We travel at 32 knots. Below deck there is a constant rumbling, howling sound. I go to the starboard gangway. The rumbling is especially loud over the engine room. I visit the cook. I'm not the only one who is hungry and here you can always get something to eat.

When I return to the bridge the commanding officer calls me over, hands me his binoculars. Far away, very far in the distance, I see a ship through the haze. Unclear contours but solidly defined nonetheless. And I hear the words of the commanding officer in my ear: "FRG escort destroyer, type 'Cologne.'" From this distance you can recognize it by the slanted bow, the gun turret on the forecastle and the configuration of the broad smokestack. This is the practical science of ship identification: classifying ships and boats according to their silhouettes.

Is the wind trying to blow me from the bridge? Dark clouds hide the sun. As if through a shaft of light the sunlight falls on the water in front of us. The ocean is green, cobalt green, but near the horizon it appears black. An hour will pass, or half an hour, and it will be gray again. Or dark blue. Who knows... The sea has a thousand faces. The men on this ship know many of them.

And once again a message: "Floating target, starboard 100-200, course right." By now I know that this means 100 degrees and 200 cable distance, and the course of the "floating target" is towards the right. I am becoming familiar with a few commands and nautical terms.

Once again I am aboard the train for Leipzig. Six days on the bridge of the ship have given me a tan, a deeper tan than that from the sun over the mountains of the Caucasus. I will never forget these days. A feeling of solidarity with the men of the People's Navy has been forged. I feel it, always, whenever I see them, in Leipzig or anywhere else...

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MILITARY

HUNGARY

# PROPOSAL FOR MENTAL HEALTH UNIT IN HUNGARIAN MILITARY

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[Article by Dr Istvan Magyar, medical colonel, with medical science candidate degree: "The Possibility of a Mental Health Unit in the Medical Branch of the Hungarian People's Army"]

[Text] [Summary] The need for a mental health unit and certain steps toward attaining it are discussed by the author. The goal coincides with the goals of the Hungarian Health Service of which one of the important and high priority programs is the creation of a mental health service. As confirmed through earlier research by the author and by other military psychiatrists, the establishment of this service might perhaps have a more favorable start under military conditions than in civilian life; however, it needs mutual agreement between state and party administrators (for example, political workers) and physicians. At the central and field hospitals this program must be established jointly with the basic sections, and the commanders and political workers of the outfits involved. This necessitates, on the one hand, an appropriate organizational setup within the health service and, on the other hand, a preparation of both, the lower echelons and the state and party leadership, through multilayered training. The initial steps have already been taken but the initiation of organized work is an indispensable condition.

In 1981 I wrote in HONVEDORVOS that "Psychiatry is at the stage of revolutionary changes, the most diverse theories are surfacing starting from the strictly biological approach, through social determinism all the way to the negation of psychiatry."

The reasons for the controversy and restlessness are complex. On the one hand, psychiatric diseases have an uncertain background and, on the other hand, certain diseased states are often in a very close, organic relationship with environmental factors, seemingly a cause and effect relationship. The symptoms present in crisis situations involving healthy individuals and in psychiatric diseases are often overlapping.

The same symptom is interpreted differently in various social settings and cultures. In the shaping of personality, the significance of environmental influences is prominent. In the perception of society, pathological and normal behavior merge into one another and in the case of deviance, we fail to

differentiate adequately between what is sick and healthy. Society expects much from psychiatry; it expects the discipline to solve problems where, in some cases, it lacks competency or else can serve only as part of a team and is not even prepared to offer a solution in its present state.

In this complex situation--and within the organization of the military health system--we must search for possibilities of a solution. There are few of us psychiatrists and psychologists and we can ensure an effective performance of our duties only with the cooperation of the basic health care physicians and, moreover, of the military leadership as well as of the political, sociological and judicial workers. This in turn requires clarification of the most important problems.

To mention only the most important ones:

- the exposure of psychiatric illness;
- changes in the image formed about psychiatric illness, the model of the disease;
- deviations of therapeutic activities from the classical model of physicians;
- changes in the physician-patient relationship;
- the relationship between the patient, his environment, etc.

In my opinion a dynamic relationship must be developed between biological and social psychiatry, and the place of psychiatry in society and in the healing activities must be found within this approach. Biological and social psychiatry both are interdisciplinary sciences, one searching for the biological foundations of behavior and the other for the importance of socialization in the development of a given illness; one cannot arrive at a solution without the other but both approaches have the goal of healing the sick person.

Without an appropriate and adequate use of the biological method of treatment and of sociopsychotherapy, psychiatric activity becomes inadequate.

Freud himself, one of the great personalities in psychotherapy, said in 1914 that "the time will come when the psychiatric illnesses can be cured with chemical methods." The current results of research (for example the dopamine theory, recognition of the neurotransmitter system, the impact of changes in the serotonin-noradrenalin balance on physiological changes such as sleep-wakefulness, and behavioral changes associated with the large regulatory systems such as the reticular system, the limbic system, the nigro-striatal, meso-limbic and tubero-infundibular systems, etc., are all new proofs of biological determinism. At the same time--and this is valid not only with respect to psychiatric diseases--the importance and influence of the effect of the macro and micro environment on the development of behavioral changes in the individual cannot be questioned. Behavior is not merely a biological problem, it is also the joint product of learning, customs and conditioning. Accepting the omnipotence of either approach (biological-social psychiatric)

to the detriment of the other would present the most severe catastrophe with respect to the scientific progress of psychiatry and sensible therapy. It is as if someone's leg were amputated and he were then be expected not to limp (van Praag, 1978). In addition to changing the medical and psychiatric approach, changing the societal attitudes is also indispensable for effectiveness. The patient is ill even though the condition is reflected "merely" by behavioral disturbances, and the adequate approach then is healing or prevention.

Mental health is the organization for preserving psychic well being and for preventing and treating emotional diseases. With respect to its function, it is a complex, multidisciplinary system in which many disciplines of the social sciences are engaged or rather need to be engaged and the role of the health care program, including psychiatry, is only a part of it.

1. An indispensable basis for maintaining emotional health is the balanced and effective accomplishment of primary and secondary socialization; without it, the relationship between the individual and the environment cannot be satisfactory.

a) Primary socialization is the process from birth until independence is reached and perhaps its most important factor is the learning process during the first years of life including the child-mother and child-family relationship, followed later by the effect of the broader environment (school, circle of friends). This process is essentially

--the process of learning, emergence of the empathy experience and the beginning of identification;

--the appearance of the experience of competence in the course of the process of internal and external inhibition (the development of increased inner inhibition can result in pathological self-assessment, increased external inhibition can result in symptoms of dependency);

--the ego function, the appearance of self-assessment;

--the appearance of cognitive functioning and structure represents perhaps the most pronounced element in personality development, taking shape in part as a function of the above mentioned phenomena and in part defining the future fate of the entire personality; disturbances of this function can be detected in analyzing every single personality disturbance. These basic personality traits are developed during the first years of life and they form the basis for the appearance of the later personality.

During the first year, the relationship between child and mother, and between child and family are significant. Later, the environment expands (kindergarten, school, friends) and shapes the independent "personate" (mask) personality making the individual adaptable or non-adaptable to society (this primary stage of socialization is not characteristic with respect to the military and the process had to be referred to for the sake of completeness).

b) Secondary socialization occurs on the basis of the already developed



personality according to its set pattern and it already causes the bulk of problems arising during military service, and it is the process where effective intervention is required from the military leadership. The complex task already mentioned appears here and part of it is the mental health unit.

2. In its broader sense, mental health includes:

a) The conditions for maintaining emotional well being. It is an extraordinarily complex task, its base being the adequacy of primary socialization or rather--since it is a utopian concept--the precise labeling of primary socialization (such a possibility--as I have pointed out 20 years ago already--would be for every individual to receive a health booklet at the time of birth which would contain all characteristic data of the person such as vaccinations, illnesses, adaptation to school, selection of the work place and work performance, the reasons for and mode of changes, eventual asocial or antisocial behaviors, punishments, marriages, family contacts, diseases within the family, etc. To my knowledge, such health data sheets had already been introduced in the GDR).

--At the time of induction, a continuously performed and evaluated screening examination should be introduced (such attempts had already been made by using the so-called "adaptation" test) which would provide for the closer observation of problem individuals.

--The mode of making contact with the inducted youths must be changed and it is necessary that the commanders and political deputies pay more attention to the adaptation of youths and to their problems (for example, many inducted youths are loaded with family problems, they seek out their superiors in vain, no one pays attention; behavioral disturbances and eventual suicide attempts followed by psychiatric treatment and a bad service record are almost natural consequences).

--It would be useful if, after induction, the leadership of the units (commander, political deputy, chief of the health service) would get to know the people under them, their problems and cares, and would remedy them before they turn into lasting conflicts and become the source of behavioral disturbances. (It is conceivable that a few days of leave granted at the right time would solve lasting conflicts; in other cases, seemingly insoluble problems could be resolved by a transfer.)

--The unhealthy hazing exhibited by old soldiers and non-commissioned officers toward the recruits must be stopped, and the only way to do it is through closer attention being paid by the higher-ranked commanders.

The current state of officer and warrant officer training must be changed (only those should become professionals who truly have a calling for military service).

--A balanced and uniform disciplinary system must be applied toward the soldiers (neither excessive rigidity nor "benevolent" neglect can lead to results.)

--Health evaluation must be accepted and must be rapidly performed (in many cases, the soldier develops new behavioral disturbances because the justified and recommended FUV [not further identified] classification reaches him with several months delay and, until then, he is serving at his earlier place of assignment.

--After a more severe psychiatric problem, the soldier (either career or rank and file) must be transferred into different circumstances (because otherwise rehabilitation becomes impossible.)

These are merely random ideas whose resolution is outside the sphere of the health service but without them the mental health unit works in a vacuum and, without foundation, is condemned to failure.

b) Within the mental health unit, the role of psychiatry can be separated into four problem groups but first some basic questions must be clarified:

--Elimination of the problem of behavioral disturbance = malingering; unfortunately, we (military leadership and psychiatry) are of different opinion although a decision can only be arrived at jointly, with a unified approach. Evaluation of the illness is the task of the psychiatrist while the discovery of malingering is an administrative problem.

#### The Role of Psychiatry in the Health Service and in the Military

In its current search for direction, psychiatry is in an even more problematic situation within the military than in civilian life. For instance, it is difficult to explain why a psychopath who is unable to adapt and has a long criminal record is unqualified for military service or, for instance, why a professionally backward officer, around 50 years of age, who is incapable of further development, must be discharged by the health service--because of the unquestioned insufficiency and consequent neurotic behavior--when this would be a personnel problem.

Psychiatry "accepts" this thankless task, on the one hand, for the sake of the military and, on the other hand, for the sake of the individual's further fate although it is not one of its duties. At the same time, its duty is to safeguard the emotional health of the individual and of the community.

It is not an administrative organ, but is the provider of an active health service and nothing more.

It cannot assume the problems of either personnel or any other leadership function because it would lose its own profile. In this respect we still face many and very difficult battles but they must be fought especially if we truly strive to set up the mental health unit.

The Four Basic Groups of Problems are as Follows:

1. prevention and discovery;

2. therapy;
3. rehabilitation;
4. restructuring society, eradicating biases, changing the attitude toward psychiatric patients.

ad 1. Prevention and discovery

is the function of solving the already discussed problems, which are not the problems of the psychiatric or health service, and is primarily the duty of the health service within the military units jointly with the commanding staff and the political apparatus. In this phase and role, the health service of the units, jointly with the command, is striving to change the emotional climate, to explore the problems of the rank and file, to screen those endangered and to pay increased attention to them, even calling for consultation at a specialized institute.

In certain armies, the psychiatric section had been brought to the division level after the Second World War thereby solving problems--under conditions of war (H. Spencer Bloch, 1969)--the like of which we cannot even solve under peaceful conditions at the present time. I should wish to mention such possibilities later on.

ad 2. Therapy:

is the joint responsibility of the unit's health service, the mental health unit and the specialized institutes, and perhaps it constitutes the essence of the mental health services; it is also linked with the next step:

ad 3. Rehabilitation:

In the course of these two processes, the mental health unit gets to know the patient and his problems, and makes contact with the unit, the services of the specialized institute and its hospital section; jointly with them, it formulates its program with the goal of restoring and maintaining the patient's health.

In the domestic context, the integrated approach is nearest to this concept although, at present, it is more theory than practice. The French "sector" system or the British "community psychiatry" can serve as models (the French Daumezon, Sivadon, the English Benett) the essence of the model being that the patient moves within the same circle, his problems are known everywhere (almost like the old family physician service) thereby making it possible both to establish the correct diagnosis and to initiate the appropriate treatment, and the patient always receives optimal care--in the hospital if necessary, or within the unit or in the mental health center.

ad 4. The restructuring of society, eradication of biases and changing the attitude toward psychiatric patients are in part the task of psychiatry but are to a large extent a social problem:

--they are the task of sociological, psychological, pedagogical, political and legal organizations, and I could continue with the list.

--It must come to pass that the psychiatric ward will not represent a stigma and its patients could face society the same way as patients treated at any other wards.

Patients released from the psychiatric ward should not be burdened by sanctions such as suspension of driver's license, being kept from filling certain positions, etc.

Let me mention a few cases as examples.

--One of our patients was under temporary evaluation for reactive depression. He had been a chauffeur at Hungarokamion and had driven 50,000 km without an accident after his discharge when notification of his license suspension arrived. He appealed and naturally won the case but, meanwhile, had lived in a state of anxiety for several months.

--In another case, a young engineer had to suffer the sad fate associated with mental illness.

After his first psychotic episode he had been discharged, had gotten a job as an engineer and had worked there for years, driving a car. In the course of his second period of illness--when his earlier illness became known at his work place--an administrative process was started and--although he got completely well and free of symptoms, and performed his work without fail--his driver's license was suspended (he has been well and working ever since).

#### The Tasks, Role and Structure of the Mental Health Unit in the Military Health Service

1. As previously referred to, the most important requirement is to develop an organic relationship between basic care and the specialized institution, and to bring about their integrated functioning. The special training of physicians in psychiatry and psychotherapy must be assured. The daily work must be guided through periodic consultations. In the basic service, it is the joint task of physicians and drill instructors to get acquainted with the members of the group assigned to them as soon as possible.

At the specialized institutes, the initiation of a regular and organized care program is the most important requirement. Within the framework of the institutions, psychiatric outpatient care must be established where the diagnostic and therapeutic tasks are performed jointly by psychologists and attendants under the supervision of psychiatrists. The guidance of therapeutic and rehabilitative activities occurs through them. The patient can be admitted to a hospital or sent back to his unit by the care institute or by the ambulatory psychiatric care, they can prescribe the necessary therapy which they either supervise or temporarily administer themselves as needed. To accomplish it, a high level of professional training (somatotherapy, psychotherapy and sociotherapy) must be provided for the physicians, psychologists and attendants participating in the outpatient work. It seems

justified that each institute should set up a so-called functional section where intensive treatment can be provided for the most severe cases.

Based on research conducted during the last decades, as a result of better knowledge of the individual diseases, the differentiation between intrapsychic and interpersonal psychopathology, and the "classification" of psychiatric diseases (that is, the fact that, today, psychiatric conditions are increasingly more likely to be placed in their proper context in contrast with the distorted views), inpatient and outpatient care services came into being. Inpatient (institutional) treatment is necessary in many cases (primarily in acute cases of intrapsychic disorders) but they can be detrimental in the case of many other psychiatric diseases (most interpersonal disorders); it can lead to hospitalization, the disease can become chronic, the individual is divorced from his everyday circumstances and his training environment, he becomes isolated whereby his disease might become fixated, the chances for rehabilitation are lessened, new adaptation problems appear and the proper conditions for their care are not available in a hospital environment. Outpatient therapy is the result of the modern and correct approach. In this case the patient receives the often very complex care appropriate for his illness, without hospitalization. The outpatient and inpatient treatments function in a dynamic relationship--as already indicated in the introduction--and provide the therapeutic intervention, follow up care and rehabilitation.

The ratio of patients needing these two forms is 10 : 1 in favor of outpatient care. Care within this dynamic unit can assure more rapid rehabilitation, more complete restoration of health and, under military conditions, combat readiness.

#### The Prerequisites of Mental Health Function in the Military:

- a) selection;
- b) resolution of the problem of fitness;
- c) promotion of fitness.

ad a) With respect to the selection problem, a brief historical review is needed. The idea first arose in 1905 in France that a psychiatric examination before induction should be introduced. Before that, "strong, big and soldier-like" qualities were the characteristics of military fitness, but the conclusion was reached that an adequate mental capacity is also needed.

Testing for psychiatric fitness was introduced in 1913 in the United States. In 1918, induction centers were set up in several countries such as France, Germany and the USA. The "Army mental test" method was worked out by Yerkes for psychiatric-psychological screening. Nevertheless, the method was not accepted until later. At the Eighth Congress of Military Physicians, held in 1935, only physical fitness was stressed in spite of the fact that a directive on psychic fitness was published already in 1934.

In subsequent years, such activities gained momentum. They were accepted in 1940 in England and in the USA, and in 1942 also in Canada. In France, a law

was passed in Nov 1950 on the necessity of testing for psychological fitness. "In order to assure the rational utilization of the personnel staff of the quota, in addition to their physical, intellectual and occupational fitness, during the year before their military service, they also have to undergo physical and psychotechnical selection tests and examinations" (50-law 1478, paragraph 8).

Tests of such type were made compulsory and they could not last longer than three days.

After the Second World War, they were introduced--primarily in the armies of the Great Powers--and psychophysiological methods were added to the usual induction selection. With respect to methods, achievement tests and personality tests are used primarily, thereby striving to eliminate the many earlier errors in selection. Such a selection method, especially from the psychiatric aspect, cannot be perfect, of course, and it can happen that less serious irregularities fail to surface. This is especially true for personality disorders.

In the domestic context, our goal must be that induction and selection should assure the detection of the unequivocally ill, on the one hand, and, on the other hand, should call attention to adaptation disturbances and the potentially ill whose adaptational difficulties during military service must be resolved by the mental health unit.

ad b) "With respect to mental state, the person liable for military service is fit who has sufficient emotional maturity and adequate emotional capacity to achieve the goals of military training and, additionally, is capable of adapting to a degree that he can resolve the peculiar emotional and physical stresses of military service without permanent damage to his health. If there is suspicion that the particular condition--possibly as a result of delayed maturity--will change within the foreseeable future, then his fitness [sic] is temporary" (Brickeinstein, 1975).

Opinions differ with respect to the psychiatric forecasting of military fitness. According to some (for example, Fischer, GDR), one can hardly imagine a screening test method which would reliably screen out the potential patients, but this should not be the goal. Much more important is the so-called real- diagnostic method meaning that, in cases when certain mental deficiencies cannot be detected by screening at the time of induction, the inductee must be accepted and his fitness must be decided later, on the basis of practical suitability. This, the so-called post-screening method, is used also in the domestic practice. As a result, it often happens that the individual judged fit at the time of induction will become unfit for military service, after having served a more or less brief time, with a consequent increase in the number of discharges for psychiatric reasons.

The currently used fitness regulations are based on modern principles and are essentially based on real-diagnostics. Fitness, temporary unfitness and limited fitness are dynamically adapted to practical life and they also serve as basis for health care.

ad c) The task of the mental health unit is to promote continued fitness; it is the process during which the inducted soldiers adapt to the special military environment, they overcome their resistance and become aware that military service is a citizen's duty and, although it temporarily disrupts their chosen walk of life, it must be fulfilled. Extremely complex interactions appear during this process and they are defined by the characteristics of military service itself, by the behavior of the instructors and trainers, by the particular personality structure of the individuals and also by their individual mode of life (chosen occupation, family, friends, etc.).

Adaptation can be impaired but also promoted by these determinants. It is decisively important that the instructors and trainers, the basic care physicians, and specialists of the institutes carry out their work harmoniously, they must get to know every single member of the group entrusted to them together with his problems and worries; they must detect their health and personality traits and they must form a group in which the members guide themselves, with the help of the instructors and physicians, to solve the adaptational difficulties. In this situation, the more difficult and more important task falls to the instructors, trainers and physicians. Military group-living is seemingly a simple mode of life defined by its single goal; but it only appears so. In reality, precisely as a result of it being defined by a single goal, much greater attention must be paid to the individuals, their particular aptitudes and problems than in any, more loosely structured group of civilian life.

Discipline, one of the basic requirements of the military way of life, can be the source of extremely much tension and conflict and, in this respect, the aggressive disciplinary procedure can in no way be successful. It is the task of the instructors, trainers and physicians to achieve the required discipline and individual adaptation to it, the many consequential tensions and conflicts notwithstanding, in such a manner that neither they nor the individuals suffer. In the context of mental health, the trouble-free guidance of this process is one of the most important tasks.

In 1961, Glass classified this process into three phases:

- shaping the environment;
- preventive intervention;
- military rehabilitation of psychoses.

Shaping the environment under military conditions appears simple but in fact it is a complex task. For example, let us consider the organization of a small unit, the company group.

The commanders of the company, the platoon and the squad, plus the duty service represent at least a dozen commanders who, stemming from their superior position, are guiding the underlings with directives and strict orders. Coordinating the function of a dozen commanders is itself a difficult problem and it is further complicated by the particular, individual

personality structure of the underlings. Contradictory directives from the superiors make adaptation impossible. The cooperative or resistant behavior of the underlings, in accordance with the mass or group effect, will reinforce or weaken the development of correct and expected behavior. Without logical, humane and uniform directives from the officers in command, and without developing uniform expectations, the establishment of a suitable environment is unimaginable. In the presence of strict or lenient leaders, the behavior of the underlings becomes disorganized, dissensions arise within the group and the conditions for adaptation cannot be realized; the leaders get alienated from the underlings, the level of expectation is lacking, the group falls apart. A basic condition for shaping the environment is the proper psychological and pedagogical preparation of the leaders, development of the system of expectations serving the interests of a uniform goal, and regular compliance with them. Senseless, personally offensive and unnecessary directives precipitate aggression within the group and--as a vicious circle--based on the laws of aggression, make adaptation gradually more difficult. For example: One higher commander continuously overlooks insubordination and later applies Draconian measures against the same individuals--the group becomes confused, fails to comprehend the new situation with subsequent opposition toward the superiors. In contrast, the immediate, sensible and critical analysis and punishment of the insubordination results in understanding, cohesion and unity within the group, and it spontaneously prevents repeated insubordination. Shaping the environment is a dynamic task and it must always adapt to the given social and cultural situation. It is impossible to guide and discipline with dogmatic laws stiffened under military conditions but it is similarly impossible to educate with unbalanced and unforeseeable directives. Shaping the environment is the joint task of the mental health unit and the leadership of the units.

Preventive intervention is essentially two-pronged: one, the earliest possible removal of patients from the group, two, search for potential patients or problem individuals. In the case of patients, a check-up or later adaptation can be considered according to need. Presence of the patient within the group is always a potential danger, it evokes the unnecessary sympathy of the group involving opposition to the leaders.

Their removal--whether for discharge or treatment--relaxes the situation. In certain cases the character of the "illness" is not unequivocal (for example: personality disorder) and, in such cases, adequate explanation--medical and pedagogical--is indispensable. Preventive intervention is the regular consequence of the so-called real-diagnostic--post-screening--method. For example: during induction, the suspicion of psychopathy is raised but it alone (potential psychopathy) cannot lead to disqualification. During the adaptation process progressive manifestation develops--in addition to the individual problems, it has features also disturbing the community and presenting conflicts in the group's existence--and removal of the individual (either with a resultant discharge or in the hope of rehabilitation) becomes necessary. The procedure and its explanation are the task of the mental health unit.

The rehabilitation of psychoses under military circumstances is an as yet unsolved problem but it cannot be neglected.



The military psychiatric literature of the last few years refers to such possibilities even under war conditions (H.S.Block). In our current practice, we can and do make attempts in the case of the rank and file when psychogenic and exogenous psychoses are present.

For members of the career service, continued service is possible in spite of certain psychotic conditions as long as the success of rehabilitation can be assured. In such a case, however, a uniform attitude is the only assurance because the joint decision and willingness of the commander, associates and physicians is indispensable in this respect. It is an extraordinarily involved and complex problem. In addition to overcoming traditions, a necessary change in assignment, acceptance of responsibility, continuous rehabilitation, family and environmental therapy and group therapy are all phases of such an activity.

2. Mental health care belongs in the realm of psychiatry, it functions between the ambulant services and the psychiatric ward, and is an independent unit subject to the chief specialist.

Based on the previous description, its role is unequivocal and it is essentially the embodiment of outpatient psychiatry performing the already described functions (prevention, discovery-therapy-rehabilitation). It must have: an inpatient section (for crisis intervention, treatment of acute syndromes, diagnosis of disorders, etc.); psychotherapeutic facilities for group therapy, sociotherapy, individual psychotherapy and all other procedures enabling the performance of activities listed under occupational therapy; a self-contained organization assuring harmonious and independent work.

3. Its structure becomes unequivocally clear from the previous discussion: it means an independent unit structure:

This unit has an adequate staff of physicians and psychologists, its inpatient section can care for crisis problems, neurotic depressions and all behavioral disturbances which we cannot adequately treat or care for at the present time either in the basic medical or in the specialist services. It has an adequate level of organization and it effectuates the principles of so-called outpatient psychiatry (a variety of psychotherapies, sociotherapies, etc.). It is in contact with the basic services for the troops and--a very important point--with the commanders and political deputies of the troops who, after adequate training, will get to know the problems and will be able to participate in their solution. The majority of behavioral disturbances is not a disease but will become one in the absence of a solution.

Thus, establishment of a mental health unit is a basic necessity and, in the interest of its continuous and proper functioning, information and training must be provided:

a) for the specialized personnel, in part within the military and in part by joining civilian training courses;

b) for the physicians of the basic health section, and the commanding and political deputy staff of the troops must be informed and trained because adequate and successful mental health provisions cannot be perceived without

it.

### Forms of Training

a) There should be psychiatric and psychological training held every year for troop physicians (possibly within the framework of the OTKI [not further identified] department since in modern military medical science psychiatry is just as important as either field surgery or internal medicine).

b) Mental health weekends (in addition to the troop physicians, also open to and attended by the commanders and political deputies). It can be organized two or three times a year and would provide in part theoretical instruction and in part practical demonstrations of what needs to be done. Thereby both the physicians, and the commanders and political deputies, would form a picture of the psychology of the behaviorally disturbed personalities and their handling (discussion of group therapy and psychophysiological methods, analysis of the psychopathology of behavioral disturbances). A continuous and goal-oriented performance of the mental health tasks would help us to prevent the various behavioral disturbances and to treat and rehabilitate them. At the beginning, the career staff must be involved in the work, later the rank and file must also get involved in the most important problems (suicide, alcoholism, aggressivity, etc.). There already are significant results reported in the foreign literature--even under battle conditions--and those we cannot provide at the present time. Such service, the establishment of such departments, is an indispensable necessity today.

The mental health service is urgently needed today and we would be late with it even if it started tomorrow at full capacity and intensity. An attempt was made to briefly describe the situation and the agenda. The numerous earlier articles appearing from military psychiatrists all support the organizational operation of the mental health unit. The establishment of this unit requires much struggle and great effort on the part of the health service and psychiatry within it, and on the part of the leadership of the units (party, state) alike.

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2473

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POLITICS

CZECHOSLOVAKIA

STROUGAL RECEIVES MALINOWSKI-LED POLISH SEJM DELEGATION

LD141324 Prague Domestic Service in Czech 1130 GMT 14 Mar 86

[Text] Federal Premier Lubomir Strougal today received an official delegation of the Sejm of the Polish People's Republic, led by its speaker, Roman Malinowski, in Prague's Hrzan Palace.

In the course of their discussion he told his guests that the visit is an important step and impulse toward the further development of the all-round relations between Poland and Czechoslovakia. He briefed his guests on the CSSR's main political and economic tasks, the solution of which will be reflected in the accelerated socioeconomic development of Czechoslovakia. He spoke in detail about the importance of scientific-technical development, and about the important structural changes in Czechoslovakia's national economy and the modernization of its key branches.

Both sides appreciated the development of cooperation between Czechoslovakia and Poland and pointed to possibilities for its further intensification, above all, through the deepening of production specialization and cooperation as an effective path toward the growth of labor productivity and the volume of mutual foreign trade.

/9274

CSO: 2400/218

POLITICS

CZECHOSLOVAKIA

CHILD DRUG ADDICTION REPORTED ON INCREASE

AU051401 Bratislava VECERNIK in Slovak 26 Feb 86 p 3

[A. Damaskova article: "Sweet Moments of Treachersous Intoxication"]

[Excerpts] Toxicomania, inhalation of evanescent substances, drugs--all these are terms we come across much more often today than in the past.

From the findings of physicians, as well as police officials, it arises that the age of addicts--we have in mind nonalcoholic toxicomania--is getting lower every year. They have already registered 9-year-old children, and even younger, who have tried out TO [expansion unknown].

The first step that leads what are literally children to a small bottle of evanescent substances is certainly curiosity. They hear about it from the older ones and turn to TO. As a rule they get pretty sick afterwards. Some are deterred by this and stop. Something like after the first cigarette, but with a considerably worse effect. Others overcome it and go on, and slowly get used to it. And that is the worst. Research at one of the Bratislava primary schools revealed that more than 20 children have already tried it out. Once, or several times? Who knows.... Who sees into their stomachs?!

If we are to take a warning from the aforementioned facts, we must shout loudly: Watch children; see to it that they do not become addicted to these dangerous substances.

/9274

CSO: 2400/218

POLITICS

CZECHOSLOVAKIA

RUDE PRAVO VIEWS STRUGGLE AGAINST BRIBERY

LD121202 Prague Domestic Service in Czech and Slovak 0830 GMT 12 Mar 86

[From the press review]

[Text] Today's RUDE PRAVO editorial, entitled "Irreconcilably Against Bribery" is dedicated to the struggle for strengthening socialist legality, particularly against unjustified enrichment. It notes that the steps which the party and state organs have taken in order to step up this struggle are being met with active support on the part of the citizens and have been reflected in a number of concrete results. Our public realizes more and more clearly that every malpractice harms all society. But this simple equation is not being understood by everyone. RUDE PRAVO gives some examples of bribery, noting that even though the number of prosecutions is increasing, it is still far too low and does not correspond to the common view on the spread of this dangerous antisocial behavior. It is caused also by the fact that the organs active in the prosecution of those involved in bribery find it difficult to prove, while reports of bribery from citizens are only sporadic. This is understandable, for neither of the parties in a bribe has any interest in it being exposed.

Our citizens are not very well acquainted with the stipulations of the criminal law on bribery, according to which punishment for bribery or corruption is withheld if the person who has asked for and gives a bribe reports it in time to the appropriate organs.

RUDE PRAVO mentions the letter of the CPCZ Central Committee Presidium to the party organs and organizations on deepening efficiency in the struggle against breaking the principles of socialist legality, morality and discipline, which stresses that employees who contradict the principles of socialist morals and the law cannot be protected.

Bribery cannot be ended suddenly, but it can be eliminated by a daily struggle against it. This struggle consists in uncompromisingly revealing and eradicating the residues of petit-bourgeois morality. Of principled significance is also systematic narrowing of the field for those who did not intend to give up their petit-bourgeois inclinations. In satisfying justified needs and demands of the citizens, must not be tolerated. Wherever there are faults in an organization lacking efficient control the present practice must be reassessed and improved RUDE PRAVO says in conclusion.

/9274  
CSO: 2400/218



4 April 1986

## POLITICS

## CZECHOSLOVAKIA

## BUS HIJACKER SENTENCED TO 22 YEARS

AU071117 Prague RUDE PRAVO in Czech 6 Mar 86 p 2

["(WT)"-signed report: "Punishment for Terrorist"]

[Text] On Tuesday, 25 February 1986 the regional court in Ceske Budejovice passed verdict on 28-year-old Vladimir Beno, the perpetrator of serious criminal activity. For the criminal offence of terror, in parallel with the attempted criminal offence of leaving the republic, he was sentenced to 22 years deprivation of freedom, to be served in a third correctional-educational group. The verdict has not yet legally entered into force.

On the evening of 9 November 1984 in Lisov in the Ceske Budejovice District the convicted Vladimir Beno seized a bus of the Czechoslovak Automobile Transport enterprise, which was filled to capacity, on the regular Plzen-Ceske Budejovice-Dacice route. With a loaded gun he forced the driver to drive toward the state frontier with the FRG. In order to force the 50 passengers, including the driver and three children, to obey him, while the bus was moving he fired into the roof panelling and placed two explosive charges in the vehicle, controlled by a switch held in his hand. After arrival at the border-crossing in Strazne he tried to enforce free passage to the FRG by directly threatening to physically liquidate all the passengers in the bus. By their tactical and resolution action the members of the Border Guard and of the Protection of State Borders prevented tragic consequences.

During the investigation Vladimir Beno confessed his criminal offence, which was also documented and established by a number of proofs. The culprit had already been punished by the court three times in the past, and further criminal proceedings against him were underway at the time of the terrorist act. Moreover, he will serve his sentence of 2 years and 4 months to imprisonment because he had not fulfilled the probation period conditions from his preceding sentence.

The act perpetrated by him is an act representing a great social danger, and is thus among the most serious acts prosecuted by our penal code.

The neutralization and just punishment of the terrorist clearly proves that neither he--nor certain other individuals who in the past attempted in similar ways to achieve their aims--have any hope of succeeding.

/9274

CSO: 2400/218

POLITICS

CZECHOSLOVAKIA

FRG PAPER REPORTS ON ECONOMIC, SOCIAL 'APATHY'

Hamburg DER SPIEGEL in German 10 Feb 86 pp 142-150

[Article: "We Are a People Under the Cheese Cover"]

[Excerpts] The memories of the 1968 Prague Spring are forcibly suppressed; the people who once cheered the reformer Alexander Dubcek have taken refuge in petty bourgeois private lives. The party, anxious to have Moscow's acceptance, is now being forced to modernize by Kremlin boss Gorbachev.

Those among the people who cheered party boss Alexander Dubcek and his reformers at that time 18 years ago are today ashamed of their naive belief that socialism could be reformed with impunity. The others, who were even at that time against reform and who are in power again today, would like to see the brief episode of political freedoms forgotten forever.

Unlike in Hungary after the bloody popular uprising of 1956 and in Poland after the ban on the "Solidarity" trade union, in the CSSR there has neither been an official nor a secretive discussion about reasons and errors for the political eruption. The party is ruling -- not without success -- as if the year 1968 has been erased from history: The Prague writer Franz Kafka would have found his topic in this process of collective suppression. Nobody any longer reads the banners -- washed out by the rain -- announcing the "victory of communism" over the factory gate, or the "steadfast loyalty of the Soviet Union", anymore than they do the dull reports in the party newspapers. Even state television has adapted to the political indifference of its citizens and broadcasts the weather report before the daily news so that, as the popular Prague joke goes, they can turn off the set after the only important announcement of the day.

Of course the party has paid for the political apathy in the country, which even government and party boss Gustav Husak criticized as "the peace and quiet of the cemetery," with a sufficient supply of goods and modest prosperity; in the CSSR there are no buyers' lines as in Poland, no empty shelves as in Romania -- but neither the range of exquisite goods for sale as in Hungary. As in the GDR, basic foodstuffs and a not too sophisticated assortment of consumer goods are available everywhere, even in the villages, at tolerable prices. Gauged by the prices, the salaries are not too bad: With an average monthly income of 2,800 korunas, industrial workers are at the top of the real

socialist salary table after their colleagues in the GDR. The salary differences between town and country are minimal, which is why the surge from the villages to the large cities has almost been reversed: Young families in particular prefer to live in the country today. The social welfare decline is felt only by pensioners. The state, which is constantly looking for additional workers, keeps part-time jobs available for them.

The escape into private existence has assumed very concrete forms in the past 10 years. Almost every third Prague resident and every fifth inhabitant of Brno has now acquired a vacation or weekend home -- the "chata" (dacha), the dream of all Czechoslovak citizens. According to estimates, there are now about a half a million of them, from self-constructed shacks to the well-appointed bungalow or restored farmhouse, which dot the forests, lakes and riverbeds. Of course it so happens that at their places of work these dacha-possessing Czechs pilfer everything needed for construction, or which can be exchanged for something useful -- from the bag of cement to kitchen tiles. Thefts of this type are considered popular sport in the state-owned enterprises. The party, which condemns the cult of allotment gardening as a petty bourgeois relic, has so far not found a way to prevent it. On the other hand, the party ideologues are glad to know that their citizens are not at conspiratorial meetings in their leisure time, but wallpapering or mowing the lawn. It is going poorly for the few who do not find the idyllic green weekend a sufficient goal in life. Political opposition dissidents are persecuted by the secret police worse than criminals. For trifles like correspondence with exiled Czechs in the Federal Republic or the possession of allegedly "counterrevolutionary" reading material, citizens of the CSSR can be punished with imprisonment for several year if they belong to "antisocialist forces" according to findings by the police. In the party's view, that also includes the 242 initial signers of "Charta 77", that circle of men who advocated more respect for human and civil rights in a memorandum in early 1977. Most of them spoke up for reforms as early as 1968; many, like ex-foreign minister Jiri Hajek, had high posts in the reform CP or were at least party members. It is of little help to them that the Charta members, spied on, persecuted and from time to time incarcerated by the secret police, regard themselves not as a party, but as a citizens' initiative, and that in their sporadic appeals they are anything but hostile to the state, rebellious or even antisocialist. The courage with which the now roughly 1,000 Charta supporters resist state repression goes virtually unnoticed among the people themselves. This negligible response makes the ruling party's hysterical reaction to civil rights campaigners all the more incomprehensible.

The party is also uncertain what to do about the growing number of believers who go to prison as alleged enemies of the state and whose crime consists mainly of not being dissuaded from practicing their Christian duties. Even the party presidium devoted its attention to the simple problem last autumn that more and more people, especially in Slovakia, are taking part in church pilgrimages. Members of the highest party group called the figures -- in two cases there were about 100,000 Christians -- "alarming." Government authorities have so far prevented the often planned visit of the Pope to Czechoslovakia.

The party has with considerable effort tried to stay on the course prescribed by Moscow without the slightest deviation since the 1968 intervention. The CSSR itself has abstained from internal Bloc reforms out of fear of again attracting the Kremlin leadership's attention: There is no economic reform as in Hungary or Bulgaria, no independent foreign policy like Romania or more recently also the GDR have attempted. During the crisis in Poland the Prague leadership was in the foremost front of the critics, and called the contract concluded by the communists with the striking workers a "betrayal of socialism" long before the still hesitant Soviets did.

As Moscow's favorite child, the CPC accepted the fact that its country -- with one of the oldest European traditions -- was withering away into a political and cultural wasteland in the eyes of the rest of the world. Now deceased French writer and communist Louis Aragon called Czechoslovakia the "Biafra of the mind" way back in the early 1970's, and explained the lack of political and cultural spirit by the mass flight of the intellectual elite. Around 150,000 Czechs and Slovaks, many of them intellectuals, emigrated to the West after 1968. Also living in exile are the Czechs and Slovaks whom people are talking about: The writer Milan Kundera, author of the much-praised novel "The Unbearable Ease of Existence," published in Paris; Milos Forman, director of the celebrated film "Amadeus," lives in the USA; and Eduard Goldstucker, literary historian of world renown, is now teaching in England. Only Jaroslav Seifert, dean of Czech poetry who died in early January and who unexpectedly received the Nobel Prize for literature two years ago, had remained in Prague. But even he was one of the isolated oppositionists. As the Slovak sociologist Karel Cuban so carefully described it for those who stayed behind: Our social life is the "result of the relationships between the ideal and the possible." A Prague scientist, neither a dissident nor oppositionist, but in his own assessment an "optimistic pessimist", says it much more graphically: "We are a people under the cheese cover, hermetically protected from real life. But when one lifts the lid, one notices that it stinks." There are indications that this lid will be cautiously lifted some time soon; admittedly only in the economic sphere, for the new five-year plan which is to take effect as of January 1986, but which is not to be adopted until March at the party congress, is forcing the Prague planning strategists to make a change.

The slavish emulation of Soviet economic methods and the political dreams of "socialist self-sufficiency" have gotten the orthodox people in the party into trouble, into a dead end from which they are not finding a way out either politically or economically without turning back. Almost all the socialist countries have freed their economies from the shackles of a rigidly guided centralism within the course of the last 20 years without -- as the Prague orthodox leaders still fear -- abandoning the socialist path of virtue. Even such extensive reforms as in Hungary, where the decentralization of responsibility, decontrol of prices, material incentives for efficiency and a cautious privatization have been a part of the party program for years, met the Moscow leadership's approval after initial suspicions. Not so in the CSSR. Against the interests of its own producers, the party leadership remained inflexible out of fear of Moscow's anger, but also probably out of fear of belatedly still having to implement the economic reforms demanded by Dubcek supporters in Prague Spring. In contrast to backward countries like Romania and Bulgaria, the CSSR possessed an industrial tradition even in the

years before the war. The communists were able to fall back on an industrious, trained work force after taking power. Modern methods of production, like building up an electronics industry, would have been available.

The stubborn course caused Czechoslovakia to fall further and further behind in economic competition since 1968, unlike her socialist neighbors Hungary and the GDR. Plant inventory is antiquated, industry is consuming too much energy, productivity is sinking and the national revenue produced is stagnating. With its 15 million inhabitants, the CSSR produces 16 million tons of steel annually, and is therefore the uncontested world champion in per capital production. But this product can only be sold with difficulty, since even African and Asian developing countries are producing their own steel. In addition, the "ton ideology" adopted from the USSR sees to it that the products remain old-fashioned: Weight and size of a product are more important for the plan fulfillment than precision and easy handling.

Result: The CSSR holds the Eastern Bloc record for unmarketable stocks. According to a report in the Slovak party newspaper PRAVDA, the annual losses from non-sellable items produced amounts to between seven and eight million korunas: "Moreover, storage ties up almost 400,000 workers. If the delivery periods were to be reduced by only one single day," the paper calculated, "the state could save half a million korunas." Although trade with the West still amounted to 33 percent of overall foreign trade in the 1970's, it dwindled to 23 percent last year; and the Western industrial nations are involved in the foreign trade by only 16.5 percent. Trade with the Eastern Bloc countries, where the range of goods is still at least partly marketable, has accordingly risen to 78.3 percent. No other Eastern Bloc country delivers so much to the socialist market. The Soviet Union remains the main buyer. The Prague party leadership celebrates that as a political virtue. But the CSSR cannot get modern installations and machinery for renovating its obsolete industry in the East. The foreign currency is lacking to buy them in the West. The party leadership does not allow larger-scale debts as a matter of principle. To chief ideologue Bilak, financial deals with the capitalists are "a pact with the devil."

Pressure from grass-roots discontent as in Poland cannot be expected. The unproductive enterprises work with too many personnel. There are no unemployed in the whole CSSR. On the contrary: in order to alleviate the shortage of labor, the Prague government and party leadership has brought into the country 25,000 guest workers from Cuba and 30,000 from Vietnam, ostensibly so that the comrades from the Third World become accustomed to industrial work. In reality, the fraternal countries pay from overseas for a part of their imports from the CSSR by this means. The exotic guests are not exactly popular, and an agreement also stipulates that they have to return to their homeland after five years at the latest. The Cubans are considered lazy by their indigenous colleagues, the Vietnamese diligent but incapable of heavy work due to their slight physiques. State-owned enterprises now had to manufacture shovels and snow removers with shorter handles for the Vietnamese.

Since there is the same salary almost everywhere with which to get by on, there is no great incentive for workers to change their secure jobs. Even the

opposition's economic experts admit that an urgently needed scientific-technical revolution in Czechoslovakia could fail because of lack of interest on the part of the workers: "The group of workers who work little for a modest wage, but want to live well, is getting bigger and bigger."

Soviet party boss Gorbachev now wants to see to it that there are reforms in the Czechoslovak economic program. Upon meeting the Eastern Bloc leaders, the Kremlin boss made it clear to the aging comrade Gustav Husak that in the future the Soviet Union, as the main buyer of products from the CSSR, is also demanding a decisive improvement in quality and assortment. The call for a "dynamic five-year plan" has been making the rounds of the ministries since autumn. Suddenly there is no more talk of "foreign-trade balance." The investment sum for the next five years was raised from 700 billion to 839 billion korunas. Managers may even accept Western credits and run up debts in order to modernize their enterprises. Joint-venture contracts, agreements with Western firms on joint production, are especially in demand in Prague. In most cases the Western partner is to furnish the know-how, most modern technology or capital, the CSSR state enterprise the plant installations and labor.

State control is even slackening for agriculture, hitherto kept on a tight rein by central control. The state farms and agricultural production cooperatives are to decide on cultivation, sowing and harvest themselves in the future. Yields above the planned target may be sold by the farmers at a price negotiated themselves. For that Prague intends to drastically curtail its subsidies of around 13 billion marks a year for the agrarian sector.

Everything is to stay the same old way, however, in crucial matters: no decentralization, no change in the wage and salary system, and surely no political democratization. "Charta" members have already found their slogan for the reforms directed by Husak and Bilak: "The party would like to have a child, possibly even twins, but no one is allowed to get pregnant."

13084

CSO: 2300/233

4 April 1986

POLITICS

CZECHOSLOVAKIA

## BRIEFS

YOUTH UNION RESHUFFLE--The 15th Session of the Central Committee of the Socialist Youth Union, held in Prague on 5 March, released M. Slouf from the posts of member of the Central Committee of the Socialist Youth Union, member of its Presidium and Secretariat, and deputy chairman of the Central Committee of the Socialist Youth Union. I Lipovsky was released from the posts of member of the Central Committee of the Socialist Youth Union, member of its Presidium and Secretariat, and secretary of the Central Committee of the Socialist Youth Union. Mr. Stepan was released from the posts of member of the Central Committee of the Socialist Youth Union and member of its Presidium. J. Bohac, J. Kabrt, and M. Jakes were released from the posts of members of the Central Committee of the Socialist Youth Union. The same session elected V. Mohorita deputy chairman of the Central Committee of the Socialist Youth Union and member of its Presidium and Secretariat. J. Dvorsky and J. Skala were elected members of the Presidium of the Central Committee of the Socialist Youth Union and P. Bernacky was elected secretary and member of the Secretariat of the Central Committee of the Socialist Youth Union. J. Kunc, V. Husinec, and E. Stastny were added as members of the Central Committee of the Socialist Youth Union. [Summary] [Prague MLADA FRONTA in Czech 6 Mar 86 p 3 AU] /9274

NEW BRATISLAVA MAYOR--An extraordinary session of the Bratislava City National Committee on 21 February released Ladislav Martinak from the post of the Mayor of Bratislava and elected Stefan Bartak in his stead. Martinak was released from the post on his own request in connection with his state of health and went into retirement. Peter Colotka, member of the Presidium of the CPCZ Central Committee and Slovaapremier, thanked Martinak on behalf of party and state organizations for his selfless and meritorious work, and his successor Bartak presented him the Prize of the Bratislava National Committee. [Summary] [Bratislava PRAVDA in Slovak 22 Feb 86 p 2 AU] /9274

NEW REGIONAL TU CHIEF--An extraordinary plenary meeting of the North Moravian Regional Trade Union Council was held in Ostrava on 4 March in the presence of Karel Hoffmann, member of the CPCZ Central Committee Presidium and chairman of the Central Trade Union Council. The session released Josef Valek from the post of chairman of the North Moravian Regional Trade Union Council in connection with his retirement. It elected Norbert Pozar, former leading secretary of the Bruntal CPCZ District Committee, member of the plenum, member of the Presidium, and chairman of the North Moravian Regional Trade Union Council. Comrade Hoffmann conveyed to Comrade Valek thanks for his many

years of committed political, public, and trade union activity for the benefit of our society's development and presented to him the Order of Victorious February that has been bestowed upon him by the president of the republic. At the same time he wished Norbert Pozar many successes in his new post. Josef Valek remains a member of the Central Trade Union Council and of its Presidium. [Summary] [Prague PRACE in Czech 5 Mar 86 p a AU] /9274

CSO: 2400/218



POLITICS

GERMAN DEMOCRATIC REPUBLIC

TOP SCIENTIST INTERVIEWED ON CHEMICAL WEAPONS

Erfurt DAS VOLK in German 25 Jan 86 p 3

[Interview with Prof Dr Karlheinz Lohs, member of the GDR delegation to the Geneva disarmament conference, director of the GDR Academy of Sciences Research Office for Chemical Toxicology, by Sergej Lochthofen, date and place not specified: "Against the Silent Death"]

[Text] The date 22 April 1915 has gone down in history as a black day. With the deployment of poisonous chlorine gas by imperial German troops at Ypres in Flanders, chemical warfare claimed its first victims. Since then, the struggle for the preservation of peace and for effective disarmament is inseparable from the pursuit of a comprehensive ban on this first type of weaponry of mass annihilation. The most recent developments, especially the stated intention of the United States to further worsen the situation, despite worldwide protest, through the introduction of a new generation of these weapons--the binary weapon--have elicited a broad front of opposition to the plan. This because the high concentration of these weapons in central Europe and in U.S. depots in the territory of the FRG in particular represents a permanent threat even in peacetime. Thus, it is only logical that besides a reduction of the threat from nuclear and space arms, the elimination of chemical weapons be viewed as an urgent problem by the international peace movement. This idea was, for example, reflected in the peace program recently presented by Mikhail Gorbachev. Thus, together with the elimination of all nuclear weapons, the total liquidation of chemical weapons was at the same time proposed. An idea that in the GDR as well has been and is still being supported emphatically by various international negotiating bodies. One extremely important incentive in this area was the proposal made together with the CSSR to the FRG that an agreement be signed on the establishment of a zone in central Europe free of chemical weapons. A clear orientation was provided by the framework agreement concluded in June 1985 by the SED and the SPD. DAS VOLK spoke with Prof Dr Karlheinz Lohs, who as a member of the delegation participated in the formulation of this document, about current dangers resulting from the development of new chemical weapons and the possibility of a comprehensive ban on these weapons of mass annihilation.

[Question] In the debate over war and peace, the question of a comprehensive ban on chemical weapons is becoming an increasingly explosive subject. This is why in the most recent peace program of the USSR, the destruction of

existing arsenals of chemical weapons is described, together with the elimination of nuclear weapons and the prevention of the construction of and the stationing of space arms, as a goal of prime importance in assuring peace. The GDR as well is continually looking for ways, through an entire series of foreign policy initiatives, to put a stop to disastrous development. Are the dangers associated with chemical weapons really that acute?

[Answer] Yes, absolutely. All of these efforts, the most recent statements by Mikhail Gorbachev, but also our endeavors, to secure effective agreements reflect the gravity of the situation. When we presented the guidelines for the creation of a zone free of chemical weapons in Europe, which were worked out together with representatives of the SPD, at the press conference last 19 June in Bonn, Hermann Axen rightly pointed out that this form of weaponry is today the most dangerous means of mass annihilation, next to nuclear weapons.

One must take into consideration the fact that since the end of the Second World War, chemical weapons have been developed and produced at full speed in the imperialist countries, especially in the United States. Work in America on this was primarily based on the experiences of fascist companies and scientists. However, the process took place in the shadow of nuclear weapons, not always detected to a full extent by the public. In this way, the danger grew from year to year, up to the present day. It can rightly be said that the effect of chemical weapons has since come to correspond to that of medium-caliber nuclear weapons. High-ranking NATO military leaders and strategists see in them the big "advantage" in that deployment would lead to a great loss in human life, without one brick falling to the ground...

[Question] ...so a similar effect to that of the neutron bomb?

[Answer] Yes, but even simpler, because there is no residual radiation. Chemical devices can be detoxified by perfectly well-known processes. And since the strategy of the deployment of such weapons assumes strikes into the hinterland--just look at the NATO's Air Land Battle plan--losses among the civilian population will be particularly high. This is after all one of the main reasons that protest against such weapons continues to increase in the international public arena. In contrast to the troops, which are perfectly protected against chemical weapons, this protection is hardly feasible in practical terms for the civilian population.

[Question] For the current fiscal year, the U.S. Congress made available to the Pentagon a considerable sum in its budget for the production of chemical weapons. Does this not aggravate the already tense situation?

[Answer] Of course. It is an alarming development and an important reason why the GDR is precisely at this time so clear in raising the issue of the creation of a zone free of chemical weapons. There are a total of two places in the world where the United States today stores chemical weapons outside its territory: the Johnston Islands in the Pacific and here in Europe in the FRG. This means that between Hamburg and Munich is located the U.S. Army's largest European weapons stockhouse. The Americans themselves have admitted this. Even the names and addresses of some of the stockrooms are known. Thus, one

of the depots is near Pirmasens in the Pfaelzer Wald area, another one is at Hanau. And if one is to properly assess the existing situation, then one must assume that the colossal stockpiles stored there represent an extraordinary threat, even in peacetime. Because regardless of whether there is a direct conflict or not, a mere technical blunder could trigger a catastrophe.

[Question] The Pfaelzer Wald is not really that far from our territory...

[Answer] ...that is exactly what I wanted to emphasize. Because everyone who is even only slightly acquainted with the subject knows that 60 to 70 percent of wind directions in central Europe are west-southwesterly currents. That means that if a munitions depot in the Pfaelzer Wald or in Hanau blows up, then the toxins released would in a short period of time bring their damage as far as Thuringia. Anyone can imagine the rest of the story. In this way, stockpiling is itself life-threatening. And this is one of the reasons that we want to be rid of that stuff that "is at our front door."

[Question] With respect to new developments in chemical weapons, there has been increasing talk in recent times of so-called binary weapons. To what extent does the introduction of these weapons change the situation in this area?

[Answer] The threat from the storing of chemical weapons is, so to speak, one side of the story. The other problem is the introduction of this new generation of chemical weapons by the Americans. The so-called binary weapons have been developed by them since 1954. The most recent government decisions mean that the rearmament of the U.S. Army in the direction of binary weapons is to take place in the immediate future. Numerous politicians, but also the supreme commander of the NATO forces, General Rogers, have indicated that in this respect they view stationing on European soil as indispensable. And, as is so often the case in such situations, the FRG is the number one candidate.

So what is different about this new generation of chemical weapons? Binary weapons are in particular "more manageable" for those military leaders who want to deploy them, since the risk of themselves being victim to their deployment is reduced. These weapons are characterized by the feature that it is not the actual warfare agent that is produced, stored, transported and put into the deployment device (granade, bomb, missile), but rather its two immediate initial elements which are, however, in contrast to previous elements relatively low in toxicity. Only after the deployment device is fired does it become an extremely poisonous weapon through a chemical reaction from the mixing of the two components. Thus, the actual synthesis of the warfare agent is shifted from the production facility to the deployment device.

[Question] How does our reaction to this development look?

[Answer] As far as the NVA is concerned, I can say clearly and unequivocally that the People's Army of the GDR has no chemical weapons. Just as it has no means of mass annihilation. Of course, the USSR is in a different situation because of its special responsibility for the preservation of military parity. But there is clear evidence even there. Thus, the assurance was given by

Mikhail Gorbachev, as previously done by other leading Soviet politicians, that if an official government agreement between the GDR, the CSSR and the FRG on the establishment of a zone free of chemical weapons comes about, then it will be fully respected by the USSR. This is a crucial point. We have the opportunity in negotiations with the other side to start from a clear consensus in our coalition.

In contrast, the position of the FRG, which does not have such clear statements by the United States at its disposal, is different. Even if the SPD were to pursue an appropriate government agreement with the GDR as one of its first official acts after an electoral victory, as leading politicians in the party have repeatedly declared, it would still have the problem of the stationing treaty with the United States.

[Question] We are again hearing of efforts by the United States to possibly use not only the FRG, but also the territory of other NATO states for storing binary weapons. What is the situation, and is there not protest in the individual countries against these intentions?

[Answer] The NATO bloc is in no sense unified in its reactions. With the Netherlands, Belgium, Denmark or Luxembourg, one can assume with certainty that the storing of chemical weapons on their soil will not be accepted. In Italy as well, there is a strong political current, not only among the leftist parties, but also among the Christian Democrats, to deny the Americans access. I was at an international symposium only a few weeks ago in Rome at which issues associated with chemical weapons were discussed in detail, and I can say from my own experience that in this NATO country as well, opposition to the efforts of the United States is so pronounced that at least for time being stationing can scarcely be considered. Thus, there are essentially only two countries left--the FRG and Great Britain.

And yet even in those places there is not exactly a good feeling about Washington's decisions. Thus, the intention of the United States to store chemical weapons in Great Britain after their possible withdrawal from the FRG elicited unanimous indignation.

The strength of resistance in the West as a whole to the stationing of these means of mass annihilation in the territory of individual states is verified by the fact that General Rogers, who has always felt himself to be a defender of these weapons, has recently become very cautious about making bombastic statements in public. In an interview he even said that the issue of chemical weapons should under no circumstances lead to test of will similar to that surrounding the stationing of the Pershing II and cruise missiles. Thus, the U.S. military is also considering the possibility of storing the new weapons on ships in European waters.

[Question] This subject is not a purely theoretical matter. In Vietnam, the deployment of chemical weapons by American airplanes took tens of thousands of lives. The number of people suffering from aftereffects is even higher. So is the question of a ban on weapons of mass annihilation in fact not just a European concern?

[Answer] That's absolutely correct. The issue should not be seen as one focused only on Europe. It is true that the situation on our continent has been aggravated by recent developments, but the American plan is indeed a global one. It is a question of the so-called safeguarding of its spheres of influence, especially in the Third World. And chemical weapons are particularly dangerous there as well. Because in these countries there are practically no protective measures. And the very deployment of chemical weapons in Indochina by the United States is a horrifying example of how far Washington is willing to go. According to the United States' own admission, it will take at least 50 years to overcome the ecological damage caused by this crime. To say nothing at all of human aftereffects, which effect an estimated one million people in Vietnam, Cambodia and Laos. Even in the United States, over 40,000 suits have been filed in which affected American soldiers who were victims of these chemical weapons are claiming compensation. Thus, it is understandable that the plans by the United States are hardly meeting with favor in Asia.

One interesting thing in this context is the attempt by Western propaganda--using assertions, falsifications, and insinuations--to accuse the USSR or states allied with it of the deployment of chemical weapons, especially in Cambodia or Afghanistan. And yet, none of these attempts stand up to serious investigation. Renowned scientists, including American Nobel Prize laureates, have proven the untenability of these theories. This work was on so-called "yellow rain" in particular. However, it has long since been proven that this was bee excrement. Thus, these horror stories are at best still an issue for the right wing of Western tabloids.

In contrast, there is a very real danger in the fact that the introduction of binary weapons reduces the risks in their storage, and thus lowers the threshold for their possible deployment in the Third World. Here as well, the Soviet proposal of 15 January offers a clear perspective: a ban on the proliferation of chemical weapons as well.

[Question] In the various forums for discussion dealing with a ban on chemical weapons, especially at the Geneva Disarmament Conference, the "verification question" has proven again and again to be an obstacle to effective progress on the part of the West. How do things look now, after the clear Soviet statements?

[Answer] Here as well, the position of the states of the Warsaw Pact is unambiguous. Thus, for example, the GDR submitted a detailed statement on the verification question in Geneva in July 1985, to which there has been no response from the West to this day. A large part of the arguments raised again and again by representatives of the NATO states, which in propaganda serve as justification for a new round of chemical weapons buildup, were thus rendered absurd. In his most recent statement, Mikhail Gorbachev had a clear message on this issue, assuring international verification, including production facilities. The Americans will be hard pressed to construct further obstacles to effective disarmament steps. So what is at stake here in particular?

What we want is a balanced relationship between national and international means of verification. Thus, international "on-site" inspections cannot open the door to industrial espionage. In light of this, the proposed plan presented by Vice President Bush is a highly questionable one. According to it, international verification should take place exclusively in state-owned companies. For the USSR, this would mean that 100 percent of its production facilities would be included in verification of this sort, while only a fraction in the United States would come into question. This because it is a well-known fact that a significant portion of research and development there is carried out by private companies. Even Western experts consider this unreasonable, and thus American representatives in Geneva were forced to maneuver. Limitations were imposed and there was talk of misunderstanding. However, the fact remains that this sort of comprehensive verification, as we foresee it, could scarcely be implemented in private industry in the United States, even today. Thus, the so-called verification question has increasingly proven to be what it actually is: an attempt to put off effective agreements. The only thing missing is the political will of the United States and its allies.

The introduction of binary weapons means that the system of supervision and verification becomes considerably more complicated. This is of course the hope of some military leaders. Today we have a situation in which an estimated 20 to 25 key chemical combinations are relevant to military deployment. Their production can be detected using already existing technology, for example, through satellite photographs of industrial waste and exhaust. The new generation of chemical weapons represents a radical change in the situation because many of the base substances can also be produced for civilian purposes, such as components of pesticides. This makes it clear that time is wasting.

12271

CSO: 2300/196

POLITICS

POLAND

BRIEFS

GLEMP TO VISIT FRANCE--Joseph Cardinal Glemp, the Primate of Poland, will visit Polish communities in France including those in Verdun, Bruay-en-Artois and Angers from 11 April to 21 April. On 13 April he will celebrate Mass at the cathedral of Notre Dame in Paris and on 14 April he will meet with the permanent council of bishops of France. [Excerpts] [Paris LE MONDE in French 15 Mar 86 p 20] /9738

DEFENSE MINISTER VISIT--The Minister of National Defense and candidate Politburo member Army General Florian Siwicki, met with the aktiv directors of the Gdansk voivodship. Stanislaw Bejger, First Secretary of the Gdansk PZPR Voivodship Committee and candidate Politburo member, briefed them on the socio-political situation in the voivodship, while Gen Bde. Mieczyslaw Cygan, governor of the Gdansk voivodship, spoke on the area's economic circumstances. Gen Div Tadeusz Szacilo, chief of the Main Political Directorate of the Polish Army, also participated in the meeting. [Text] [Warsaw ZYCIE WARSZAWY in Polish 15-16 Feb 86 p 2] /8918

ARTS UNION ELECTION--The Reporting-Electoral General Assembly of the Polish Authors and Composers Union--ZAKR--chose its new leadership. Composer Janusz Slawinski was elected president, and writer Jan Majdrowicz was chosen secretary-general. The Assembly also discussed the course of its future activities. [Text] [Warsaw ZYCIE WARSZAWY in Polish 17 Feb 86 p 5] /8918

PZPR, ZSL, SD JOINT ACTION--On 17 Feb 86 the Warsaw PZPR, ZSL and SD Joint Action Commission met at the headquarters of the PZPR Warsaw Committee. The Commission also discussed the general directions of Warsaw's urban center development for the period 1986-1990 on the basis of consultations currently underway in socio-political organizations, in PRON, in national councils and in the self-management groups of Warsaw and voivodship residents. These consultations deal with the different suggestions and propositions for the voivodship's five-year socio-economic plan. Janusz Kubasiewicz, first secretary of the Warsaw PZPR Committee, chaired the session. [Text] [Warsaw RZECZPOSPOLITA in Polish 18 Feb 86 p 2] /8918

KROSNO WORKERS PRODUCTION--The work force of the shock-absorber factory "Polmo" in Krosno has produced, and is sending, additional parts of over 10,000 shock-absorber units for the passenger car LADA to the Volga Auto Factories in Togliatti. This is a response on the part of the Krosno metalworkers to the appeal from the Volga Factories' work crew to speed up cooperative deliveries which are necessary to fulfill the production obligations made by the Volga labor force in honor of the 27th CPSU Congress. The Krosno Shock-Absorber Factory has been engaged in joint labor efforts with the Volga Auto Factories for 16 years. In this year alone, in accordance with a signed contract, the Krosno factory is to deliver 1 million shock absorber units to its Soviet partner. [Text] [Warsaw TRYBUNA LUDU in Polish 18 Feb 86 p 2] /8918

LABOR CODE AMENDMENT COMMISSION--The Commission for the Labor Code Amendments continued its discussion on the introductory draft consisting of those regulations to which the Commission decided to give first priority. Those issues in which opinions are clearly divided will be presented to the government by the Commission in a different framework. [Text] [Warsaw TRYBUNA LUDU in Polish 18 Feb 86 p 5] /8918

BLOC CORRESPONDENTS, PROPAGANDA DEPARTMENT MEETING--The PZPR Draft Program was the subject of a meeting organized by the CC Propaganda Department for bloc country correspondents on 17 February 1986. The deputy director of the CC Ideological Department, Andrzej Czyz, characterized the work done thus far on the draft program--which was submitted after broad social discussions--and also answered questions from the floor. The press attaches from the Socialist bloc embassies also took part in this meeting. [Text] [Warsaw TRYBUNA LUDU in Polish 18 Feb 86 p 5] /8918

DKP DELEGATION VISIT--On the invitation of the PZPR CC, a delegation of the German Communist Party [DKP] visited Poland under the direction of Karl Heinz Schroeder, Presidium member and administration secretary. Jozef Czyrek, PZPR CC secretary and Politburo member, met with the guests on the first day of their visit. The delegation was briefed on the actual tasks and goals of the PZPR connected with the preparations for the 10th Party Congress. The visitors in turn presented issues in the struggle for peace and for workers' interests in the FRG and also informed their hosts about the progress of the discussions on the theses of the DKP's 8th Congress. [Text] [Warsaw TRYBUNA LUDU in Polish 18 Feb 86 p 5] /8918

BULGARIAN FOREIGN MINISTER STOPOVER--On his way to Greece, Foreign Affairs Minister Marian Orzechowski stopped Tuesday [18 February 1986] in Sofia, where he met with the Bulgarian foreign affairs minister, Petur Mladenov, at the airport. During the course of their meeting the ministers exchanged views on the development of Polish-Bulgarian relations and also evaluated the development of cooperation of the two countries in all areas. They also discussed specific international problems. [Text] [Warsaw TRYBUNA LUDU in Polish 19 Feb 86 p 7] /8918

POLISH-BULGARIAN RURAL PARTY CONTACTS--Sejm Marshal and president of the Executive Committee of the ZSL, Roman Malinowski, received the ambassador of the Bulgarian People's Republic, Georgiy Georgiyov, on 18 February 1986. They discussed the joint efforts of the ZSL with the Bulgarian National Agrarian Union, especially those dealing with their cooperative work for the International Peace Year. The ambassador then informed Malinowski of the preparations now underway for the 35th Congress of the Bulgarian National Agrarian Union and also of the international conferences of peasant [rural] parties and organizations. [Text] [Warsaw TRYBUNA LUDU in Polish 19 Feb 86 p 5] /8918

POLISH-BULGARIAN ART CONTACTS--Sofia [PAP]--Four Polish organizations: the Union of Painters and Graphic Artists, the Union of Sculpture Artists, the Association of Art Education and the Association of Graphic Artists, signed a cooperative agreement with the Bulgarian Artists Union in Sofia for the years 1986-87, on 19 February 1986. The agreement allows for an intensification of mutual contacts, organization of cooperative exhibits and plein-air [refers to painting out-of-doors, special artist camps promoting such painting] sessions and the further development of a general exchange of artistic experiences. [Text] [Warsaw TRYBUNA LUDU in Polish 20 Feb 86 p 7] /8918



PRE-CONGRESS MEETING--An open party meeting at the Cooperative of the Disabled of the Confectionery Trade "Walter" in Warsaw was held on 19 February 1986. The subject of the meeting was the problems encountered by the cooperative labor movement; cooperatives for the disabled were also examined as an integral part of the socialist economy. Politburo member Albin Siwak took part in the discussions. He spoke of the state policies in the areas of social car and retirement pensions, and he also informed his listeners of the situation in the housing industry and what were the chances of progress in that area. [Text]  
[Warsaw TRYBUNA LUDU in Polish 20 Feb 86 p 5] /8918

ACADEMY SOCIAL SCIENCES MEETING--Wlodzimierz Mokrzyaszczak, candidate Politburo member and secretary of the PZPR CC, met with the staff of the PZPR Academy of Social Sciences on 19 February 1986. The discussion centered about the political-organizational foundations and goals of the Congress campaign. Particular attention was directed to the need for an active and meaningful participation in the campaign on the part of the teaching staff of the Academy, especially in the work being now undertaken in the draft of the PZPR Program, which will be accepted by the 10th Party Congress. [Text] [Warsaw TRYBUNA LUDU in Polish 20 Feb 86 p 5] /8918

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POLITICS

YUGOSLAVIA

IRANIAN PRESS ATTACKS ON SFRY VIEWED

AU131925 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 13 Mar 86

[Text] Several Iranian papers and the Iranian official agency, IRNA, have for several years already been carrying an unusual but, so to speak, permanently present topic--the position of the Muslims in Yugoslavia and Iranian obligation to take care of that section of the Yugoslav citizens. Milutin Milenkovic talks about the latest attacks against our country on the part of Islamic extremism.

The relay baton of this anti-Yugoslav campaign has recently been carried by two Tehran papers--KAYHAN INTERNATIONAL and TEHRAN TIMES. Previously known for casting grave slanders upon the Yugoslav Federation and sociopolitical system, these papers have been continuing and increasing their purported defense activity regarding a small group of sentenced Islamic chauvinists who were publicly tried and sentenced to prison for grave violation of Yugoslav laws and for organized activity according to orders issued from abroad. The Tehran papers claim that the innocently sentenced Muslims are being punished by a special punishing regime which exists in Yugoslavia with a view to curbing this religious faith, that the conditions in the prison where they have been serving their sentences are particularly cruel because they are Muslims, that they are all ill and already dying, and while another, very mild regime is meant for Serb political dissidents, Muslims are being physically and mentally tortured, and so on.

TEHRAN TIMES also carries a letter by a reader, (Kerim Reis), who represents a Croat Islamic Center. The text recalls that one of the sentenced Yugoslav Muslims had called on all Islamic countries not to give any aid to Yugoslavia as long as it fails to guarantee all freedom to the Muslim community and the Albanians from Kosovo. (Kerim Reis) claims that Omer Behmen, one of the sentenced people, has died from torture in prison.

KAYHAN INTERNATIONAL, however, corrects this assertion, because it has reportedly learned from Behmen's family that he has not died. But why bother about truth; what is important is expressing the care and authority of the Islamic extremist militant center over Muslims, all the way from the Philippines to the Atlantic and from Bosnia to southern Africa, as the program declarations of those Tehran fanatics read.

The highest Islamic dignitaries in Yugoslavia 2 years ago resolutely rejected all such impermissible attacks on Yugoslavia's sovereignty and the equality of all Yugoslavs. Our Islamic officials have very specifically given facts about the freedom of religious belief and activity of the Islamic religious community, under the equal legal conditions valid for all citizens of Yugoslavia. Edo Kljun, our ambassador in Tehran, wrote a letter to the KAYHAN paper [paper not further identified] 1 and 1/2 years ago about who the war criminal (Kerim Reis) is, why he is an emigre, what he is doing here, and what damage he is inflicting to Yugoslav-Iranian relations by publicizing such and similar intrigues.

All that, however, has no effect. Instead of caring about their brothers in prisons throughout Iran who are being hanged and executed in large groups by extremists from the Middle Ages--something which made even Imam Khomeini publicly criticize his overly zealous followers--these Tehran papers have been interfering in Yugoslav judicial and civil affairs without any ready need, right, or chance of achieving anything save some initial surprise and utter scorn.

/9274

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POLITICS

YUGOSLAVIA

ADMIRAL MAMULA DISCUSSES BOOK ON NATIONAL DEFENSE

AU031113 Belgrade NARODNA ARMIJA in Serbo-Croatian No 2432 20 Feb 86 pp 2-4

["Slightly abbreviated" speech by Fleet Admiral Branko Mamula, federal secretary for national defense, at a discussion about his book, "The Modern World and Our Defense," held in Zagreb on 6 February]

[Text] Having expressed thanks to the organizers and those participating in the discussion, pointing out that "the act of presenting my book...I experience as an expression of the recognition of the efforts and results of the collective work of all the personnel of our army and all our armed forces, and as an expression of confidence in all that we do, together with you and all the citizens of our country, in advancing the system of all-people's defense and social self-protection in the service of the integral security of the Yugoslav socialist society," Admiral Mamula said:

I would first say something about the motives that made me attempt to perceive the multitude of scientific and practical problems which appear in the context indicated by the title of this study. This is the context of the modern world and our defense. I will not say that it was primarily an intellectual curiosity, which otherwise is always the main impetus to scientific and any other creativity; it was rather the perception of the need to find and to offer rational and efficient solutions to the new challenges which multiply from day to day in the theory and practice of all-people's defense, and to do so without pretention that this may be the last work in theory and the only possible solution. I simply tried to comprehend and to understand better the meaning and the significance of some of the known and some new empirical facts, controversies, and tendencies which are manifested, or are only indicated, in the contemporary world political process, and to bring all this into connection with our security in the integral and widest meaning of the word.

The Starting Facts of the Study

The first fact which I had in view is the very phenomenon of war in its conventional form, limited in space, time, and resources, but not in its frequency as compared with the preceding historical epochs.

The fact that for 40 years there has been no war conflict on a large scale, a so-called major war, should not delude us into thinking that we have had "major

peace," for local conflicts and hotbeds of war have broken out incessantly, and more frequently than ever before and, as is known, they exist even now and they should be expected in the future, too. This fact indicates very convincingly the extremely emphasized presence of the military factor in the solving of numerous contradictions in the modern world, the increasingly present forms of manifestation of military force--running from threats and pressures, various forms of special war and interventions, up to overt armed aggressions---in the solving of disputes among nations and states, or the increasing role of military-political factors in international relations. What causes particular concern in this respect is the fact that wars are multiplying among nonaligned countries.

The second fact from which the study proceeds is the phenomenon which it has become customary in our and in foreign literature to call "special warfare." This form of war, special warfare, is practically unlimited in area and time but it is limited as regards the use of direct military means. In fact, it is the final expression of a much wider occurrence. It is manifest that things and processes in contemporary international life in all its spheres are manifested in indirect forms, and therefore the strategy of domination and subordination, or rather the policy of force, is advanced more and more frequently through so-called nonmilitary, instead of military, means; these, indeed, are not as drastic as the military ones, but they are very efficient in the perfidious imposition of one's will on entire nations and in redirecting the course of social processes. This is not a historically new phenomenon, but it certainly is a phenomenon with a newly enhanced intensity. A controlled crisis is a permanent state of affairs in international relations, and it is a state of neither war nor peace, which in the past occurred only from time to time, chiefly as an introduction to war. It is the state from the end of the thirties, which is to say from the eve of World War II.

The third fact which I kept in mind in the study is war among socialist states. Until the socialist revolutions, this--war among states of the same social system--was a distinction of bourgeois societies. Although even the classics of Marxist thought and their contemporaries theoretically supposed and anticipated the possibility of a war among socialist states, it was nevertheless believed that it will not occur considering the class nature of war. This new phenomenon requires an explanation.

The fourth fact has already been stated. This is the absence of the so-called major war such as we knew in the first half of our century, although the military blocs and the big powers have been preparing for such a war, the third in a row, all the time since World War II. However, the way things stand now and the way processes develop, there is every chance that there will be no such war. It seems that in the second half of the 20th century, instead of an expansion of war to extremities, the law of war limitation works more intensively in all dimensions: in area, in time, and in the means of war involved. What this fact means for the world as a whole, and for our country and others like it, is a question to which one must seek an answer. Scientific and technological progress enabled the construction of weapons systems so powerful that military strategists do not know what to do with them, because if they use them they threaten their own existence. The reasons for the

limitation of war as a world historical phenomenon, and its transformation into a multitude of so-called local and regional, i.e. limited wars, and change to special warfare, are to be sought in this fact and, of course, in the socio-political and economic spheres.

This limitation of war applies only to its stage of execution, while the opposite holds true for the stage of preparations. War preparations as a stage of the war process have never been as intensive as they are now. Through them, one strives to postpone a direct application of military force and, if possible, to avoid it altogether, but also to achieve radical global and regional strategic aims. The arms race serves the strategy of war preparations conceived in this way, by which the opponent is to be exhausted and brought into a subordinate position. In fact, the ranking of importance of the strategy of execution and the strategy of preparations has been changed. The latter obtained the primary place. This is a new fact, in the light of which one must also perceive the problems of our overall defense and protection in the modern world.

#### Unprecedented Progress of Science

The modern epoch is characterized by numerous scientific discoveries in all fields of science, but the unprecedented progress of basic science is of particular importance and it has brought about a development and application of new technologies. Above all I have in mind nuclear and space technology, the technology of new materials, microelectronics and biotechnology. For the subject we are considering here today, this fact is of importance for two reasons at least: The first is that man's destructive powers are multiplying, which will make a future war even more destructive and annihilating for the achievements of civilization in general; and the second is that technology as a means of political strategy will probably lead to a further redistribution of the political (as well as military) power. The greatest invention achievements and the technologies based on them are in the service of a very narrow circle of the richest countries. Through the multinational companies, which make extra profits through these technologies, they devalue the economic and other resources of the underdeveloped and even medium-developed countries, and in this way very successfully impose certain models of political and international behavior on the world scale, which further narrows down the actual centers of world political power. The latest shifts in Europe about the Eureka program constitute an aspect of reaction to this world trend which has already become global, and an attempt to postpone the technological collapse of the oldest civilization in the world.

Technological inferiority most drastically hits the underdeveloped countries. There is no doubt that this trend will continue in the future and that it has become very skillfully, and I would say permanently, entrenched in all the strategic options of the world's technologically strongest countries in their intention to rule the world. How the world will react to this, how it will organize itself to oppose it, is one of the biggest and most complicated global questions of the modern world. The same questions must be posed by the nonaligned countries, which are endangered before all others and more than all others. It is probably left to them that, on the basis of the

technologies achieved by the more developed among them, along with the transfer of technology from the countries which more benignly look at the "third world," they try to advance their own development.

As you know, this idea was promoted by Tito, but the general situation in the movement and the tying of some of its members to the technologies of the big powers prevented its realization. I think that it is high time that this idea be revived, for the development stage in which we are is even more difficult for protecting the overall economic and political independence of the "third world" countries and for building their defense power. I also believe that in this field, our country should show much more initiative than it has been doing in the past few years.

### Shifting Borders of War

Let me return to the subject which has been explicitly broached here, the contradiction between the limitation of war and its escalation, in fact, up to the self-annihilation of its protagonists. Technologically, then, opportunities have been created for the borders of war to shift constantly in terms of area. In the past it was waged within the borders of a battle area, which was delimited by the range of the weapons of the time and, of course, by the political processes which led to war, but now the political processes and the relations which lead to war as well as the weapons with which war is waged have assumed global proportions and range, so that our very planet becomes small and a way out to space is being sought. Technologically, prerequisites for waging a practically unlimited war in space with the help of the so-called space technology have been created and continue to be created.

In any case, further development in the sphere of technology will bring mankind very quickly to the threshold of a new historical epoch which will differ essentially from the one in which we live. It will be essentially characterized by high space technology, in contrast with the nuclear era which was given its imprint by nuclear technology, which does not mean that the latter will not continue to retain its important place both in the military and the nonmilitary spheres.

On the basis of the development of new technologies, war equipment is also being developed at an accelerated pace. New weapons are appearing. In the production of biological weapons, the achievements of microbiology, pathology, genetics, and other sciences are used, and their application makes possible a lasting and inheritable change of biological properties of some microorganisms, and even a limitation of their effects in terms of area and time. Scientific and technological possibilities are appearing for the production of new kinds of weapons of mass destruction whose essence lies in man consciously effecting changes in some natural phenomena, or rather in the use of some physical and other processes for the purpose of directing the course of natural phenomena or even of artificially causing them. We are talking about so-called geophysical and meteorological weapons, of which it still cannot be said that they have been produced, but it is certain that it is possible to produce them and that tremendous sums are invested for this purpose.

As for the achievements in nuclear technology, they make possible a further qualitative improvement of nuclear weapons: an increase in their destructive power, in the precision of hitting targets at great distances, in their maneuverability, and on this basis in an increase of their ability to survive a surprise first strike by the opponent and the ability to carry out retaliatory strikes, and so forth. The greatest achievement in this technology is the one which makes possible a further miniaturization of nuclear weapons, making their lethal power approach that of the most modern conventional systems, which increases the danger of their use in local and limited wars, which means that the nuclear threshold is being lowered.

In the field of so-called conventional, nonnuclear technology, four aspects are now at the top, to wit: signal transmission technology in the wide range of the electromagnetic spectrum, data-processing technology on which the production and application of computers is based, the technology of aerodynamics of propulsion [tehnologija aerodinamike pogona] and related materials, and the technology of guns, projectiles, and ammunition. On the basis of these technologies, conventional, or let us call them nonnuclear, weapons are being developed in all the services, corps, and branches of modern armies, and their effectiveness is being increased several fold and is approaching the effectiveness of nuclear missiles of very small power. Let me not enumerate all the innovations which arise in the production and application of weapons under the influence of these technologies, but let me only point out that the image of modern war and the appearance of the battlefield are completely changed, which poses to the strategy of war preparations new questions and problems which must be answered. This particularly applies to those doctrines and strategies which cannot keep up with top achievements in the technological race.

#### New Trends in Military Doctrines

Technology has always had an essential influence on the overall military build-up and on the conduct of war, so that in the world of accelerated technological changes one should also perceive changes in modern military doctrines and strategies. From this viewpoint it may be concluded with great certainty that the basic characteristics of the modern military doctrines are above all a maximum offensive spirit and a high intensity of combat means during the entire course of war. Speaking about the offensive quality of combat means, one should bear in mind the fact that a majority of the big power doctrines attach special attention to the rapid intervention forces and the special effect forces, and especially to an increase in the strategic mobility of the armed forces.

A number of essentially new trends are observed in this complex: (1) A quickening of the war process to the extent that the whole thing is concluded in one initial battle, which should be decisive, which is to say that the opening period of war is also the closing period. In this trend it is not difficult to recognize the shapes of a qualitatively new model of the blitzkrieg strategy; (2) this general trend is based on the trend of merging the essential subprocesses in the war process: firepower and mobility; an integral use of the branches and corps in land-air operations or battles; the merging



of several operations in time and space into a unified strategic operation, and in this connection the merging of several small separate theaters of operation. The ultimate consequence of all this is the possibility that the entire area of a limited theater of operation, such as ours, may be subjected to a simultaneous strike. It is obvious that the military art is returning to the orthodox strategy of the decisive battle, although no longer in the form of a mechanical maneuver by strong forces against strong forces, but in the form of a simultaneous strike at the opponent's forces in all space dimensions and in a very short time. For our doctrine and strategy of all-people's defense and social self-protection, the essentially new problem is posed: how to transform this super-blitzkrieg into a long war of attrition or, rather, how to oppose the strategy of a crushing blow [strategija obaranja] resorted to by the aggressor with a strategy of attrition [strategija iscrpljivanja] to which we would have to resort.

War remains that it has always been: a means of politics or, rather, the continuation of politics with other, violent means. The new fact that must be taken into account is that the means on violence can no longer be reduced to purely military means, capable of producing the destruction and annihilation of the material resources and manpower of the opposite side. At the present time, every means that has the ability to generate the effect of imposing one's own will on the opponent objectively speaking assumes the meaning of a means of violence, regardless of what its primary function and purpose are.

The distribution and relationship of power in the modern world is pronouncedly harmful to the "third world," which is to say the undeveloped part of the mankind, and this picture of the world will not essentially change in the foreseeable future, considering that the developed countries are developing more and more quickly, and the developing world is lagging more and more behind the most developed ones, although it is making tremendous efforts toward its development, and is developing objectively. This means that the gap will increase, and in this way the contradictions of the two worlds will deepen.

#### Tito's Great Idea

What are our answers to the challenges which arise from very dynamic processes in the encirclement outside and which threaten our independence and security, what can they be and what must they be? These answers must embrace all aspects of our defense and protection: philosophical, ideopolitical, scientific-technological, and military.

We maintain that all these answers are contained in Tito's general great idea about all-people's defense and social self-protection, which corresponds with Marx's idea about the armed people and constitutes a concrete historical form of socializing the military sphere of human activities. The new trends in political and military doctrines not only do not jeopardize the current value of this general idea, but increase it even more. All-people's defense and social self-protection, as an idea and a specific model of the defense and self-protection organization, retain essential comparative advantages over the classical and neoclassical doctrines and strategies. To identify and to

explain these advantages in conformity with the changes in the military factor in the world and with the achievements in our overall social development is only possible through an examination of our defense in conformity with the Marxist theory and method.

Here we are touching on the first question of my study, which through no accident has this foremost position. There are several reasons why the question of the Marxist approach to the study of war and the art of war, and generally to the examination of social reality, is posed in the study and why I want to say something about it on this occasion, too. First, there is the state of Marxist thought and, within this framework, the state of Marxist military thought in particular. The second reason is that professional soldiers may have professionally distorted views on a subject with which they deal professionally in the sense that they perceive reality in a one-sided and partial way, and that they lose sight of the totality of the phenomenon. In this respect there have been some objections--I would say unjustified ones--but they could find no foothold in the study we are discussing today, nor in our practice.

For me the part of my study that explicitly takes as its subject the Marxist approach to the study of war and the arts of war has had, and of course continues to have, a two-fold significance: (1) I believe that only through relying on a consistent Marxist approach is it possible to study and examine properly the overall aspect and the phenomenology of our defense and protection under modern conditions; (2) I believe our overall defense and self-protection theory and practice, whose core is Tito's revolutionary and military work, to be an integral part of the Marxist concept and of the partly implemented theory about the armed people. This is to say that our all-people's defense and social self-protection, both as theory and as practice, have been inspired by this great Marxist idea about the armed people and are being built on its foundations. But they are more than that. They also represent an enrichment, concretization, and practical implementation of this idea of our social, and especially in our defense and protection practice. I maintain that this relationship also holds in the other direction, that is to say that matters that are epoch-making, not transitory, and that are the spirit of this theory and this method must explicitly and implicitly find their place and be especially reflected in our philosophical, political, and military theory.

In conformity with our explicit decision in favor of a Marxist approach to the examination and study of the defense and self-protection problems, I believe that it has been necessary to take precisely the starting points that I have taken. They are not, on the whole, explicitly formulated and worked out in detail, but I hold that they are easily recognizable in the study as a whole and in the several parts of it. I would formulate these starting points as follows: (1) All-people's defense and social self-protection constitute the first military defense and protection system in the history of class society which is based on understanding of the defense and protection activities as an integral social activity; (2) as an integral social activity of all social subjects, the defense and protection activity must be embraced by the process of socialization, whereby it is directly manifested both as a function of

self-management and as its condition, for without the socialization of this sphere of activities which has been alienated the longest, as Tito said in his famous speech at Ljubljana University in 1969, there can be no integral self-managing transformation of society. Therefore, all the relevant social factors and subjects must be included in the analysis and examination of the efficiency of this sphere of activities.

#### Wrong Interpretations of the Spirit of Our Concept

In making the Marxist approach to the study of war and the arts of war a specific subject of my study, I was also motivated by some controversies in modern Marxism, which otherwise I would not enter into on this occasion. When I mention controversies, I have in mind above all those which appear more or less in our country and which refer to wrong interpretations and understanding of the spirit of our concept of all-people's defense and social self-protection. These controversies range from an extremely simplified and erroneous equating of the Marxist idea about an armed people with the militia form of military organization, up to the equally erroneous negation of the actual combat efficiency of a militia-type of military organization.

The Marxist (and, of course, Marx's) metaphor about an armed people does not contain the position that it is literally a question exclusively of a people under arms and that beyond that there remains nothing in the sense of an armed people, but it is a question of the people, the class, and the movement becoming the protagonists, the creators, and the subjects of defense. It is therefore erroneous to assert, as is sometimes done in our country, that only a militia military organization suits the armed people in the Marxist sense of the word, which in our circumstances in fact means territorial defense. Proceeding from such a premise, one arrives at the erroneous answer that Territorial Defense is the essential expression of the socialization of the military sphere, and that the Yugoslav People's Army is allegedly a statist model of military organization which is incompatible with the Marxist concept of the armed people. The Yugoslav People's Army has lately been attacked from such erroneous theoretical, ideological, and political positions, but I would not discuss it on this occasion. Of course, in the study and in all my activities I advocate that the Yugoslav People's Army and the Territorial Defense must be equally comprehended and socially accepted as a socialized military force of the workers class, for objectively that is what they are. Both components of our unified armed forces have identical class-revolutionary aims, interests, and distinctions. Naturally, they differ only in their specific military strategic and doctrinal role, but this is the sphere of technology and not of social relations. Of course, socialization is a process like self-management itself, within which the process of socialization of the defense sphere is developing.

Thanks precisely to its creative attitude toward Marxism, the LC made a significant individual contribution to the science concerning modern socialism and concerning the road of the socialist and anticolonial revolution, socialist self-management, the Marxist perception of the role of the state, statism, and bureaucratism, concerning a scientific perception of world trends and currents after World War II, the terrific liberation force of the peoples who

were colonial until yesterday, as well as the world-historical significance of nonalignment and active peaceful coexistence. There are few countries in the world of corresponding size and power, and even much larger and powerful ones, which may boast of such a contribution to the creation of a new socialist civilization.

All this gives us the right to assert, without any exaggeration, that socialist self-managing Yugoslavia continues to possess historical initiatives, despite the difficulties with which it struggles. Therefore, a creative attitude toward Marxism and science in general is now more necessary than ever before, for we are at a stage of our socialist development when it is necessary, in all spheres of society, to base our overall social activities on scientific knowledge. Science becomes the essential composite part of subjective forces. Guided by such precepts and knowledge, we tackle the study of military, technical-technological, and social relations and processes relevant to the building of our system of all-people's defense and social self-protection, one of the most original creations in the building of our socialist self-managing society.

#### A Constantly Open System

How can we approach the doctrine of our defense in theory and practice and remain consistent in following the Marxist tradition of thought? In no other way than by keeping this system constantly open to all new challenges of practice, under which influence we will constantly update and improve all our key tenets and solutions. I hope that it is precisely this impression that strikes the reader when he completes the reading of my study; this, at least, was my wish. In this connection I want to stress--something, I hope, that is clearly pointed out in the study--that our concept of all-people's defense and social self-protection and all its general tenets which Tito formulated are without alternative, that they are of lasting importance and significance for our defense and protection system, and that we must implement them in practice. The manner of implementing them, however, the forms of organizing society for defense, and their various contents, are not a system of dogmas given once and for all. On the contrary, it is a question of a system which is conditioned by the circumstances prevailing in the outside encirclement and internal social life, and of achievements of our overall social development.

Agreeing in principle that the thesis that our defense system is constantly open to all relevant influences and changes, one sometimes hears the voice of those who demand a revision of some general tenets, and even a revision of the concept of all-people's defense and social self-protection. We are still offered quotations from some early works of Engels and some of Lenin's positions in his "Letters From Afar" which refer to the militia type of military organization. On the other hand, we are offered a "strategy of survival" as the predominant model of strategic effects, following the example of some bourgeois-democratic systems--of neutral and independent countries--which may nominally be classed under total defense based on a militia system of military organization. It is obvious that such ideas intentionally or unintentionally neglect evident facts which characterize the modern conditions or, rather,

the state and trends of overall socioeconomic processes. I do not want to waste the time of the present meeting polemizing with such views, but I must point out that they overlook several facts when they oppose organized defense whose backbone is the armed forces, whose chief striking and maneuver force is the Yugoslav People's Army. These facts are: (1) One loses sight of the great force to deter aggression which our system of all-people's defense and social self-protection in fact possesses; (2) we have an organized states, army, and a system of defense against aggression; (3) what is most important, a strong defense and armed forces at its core are a guarantee of preserving the integrity of Yugoslavia and each of its parts under conditions when eyes are cast at parts of the country's territory on the basis of all kinds of rights, including those allegedly acquired in history, and when entire peoples and our federal units are being negated; (4) to drop organized defense with all the forces and means available would mean leaving the initiative to others so that they may solve our fate.

#### Basic Doctrinary Tenets

Perceiving the tasks of our future defense organization and preparations from this viewpoint, allow me to point out briefly the key preoccupations we had in mind when in the past year and in the few preceding years we set the foundations for the further long-term development of all-people's defense and social self-protection, as I believe that this fits into the context of the discussion today.

Here I have in mind above all our persistent striving to base our entire defense and self-protection development, both in theory and in practice, on the original principles and tenets of the all-people's defense concept and to return to these original principles where it may be shown that we may have departed from them. There has been some departure, above all in the development of Territorial Defense. In the past few years it has assumed more and more the aspect of a military organization parallel to the Yugoslav People's Army and of a copy of it, which was contrary to its doctrinal and strategic role as a complementary part of the unified armed forces. As is known, the Territorial Defense is designed to carry out combat predominantly in temporarily occupied territories, providing continuity in the armed struggle under the most difficult strategic conditions, and it is designed for combat control of territory and for solving all the problems that may arise in the security of the country, for various tasks in the system of social self-protection, and for joint operations with the Yugoslav People's Army at the front in the most difficult variations of war and in operative situations. The security of Yugoslavia is an integral problem, and therefore there must be and can be no division, particularly as regards the armed forces, without endangering the very foundations of our independence.

In addition we have here the organization, equipment, and training of the armed forces, above all the Yugoslav People's Army, so that they may successfully carry out strategic interception of the aggressor along the chief strategic operative lines. It is not possible to successfully intercept an aggressor with modern arms and equipment if the technical and technological equipment of the Yugoslav People's Army is at a poor level. The question of

the technical and any other modernization of the army is also connected with this, and so are the questions of its financing, training, mobilization system, strategic development, battlefield maneuvers, and a number of other important strategic problems which any war leadership must resolve, including ours. The basic doctrinal precepts from which we proceed in modelling the armed forces, the Yugoslav People's Army, and the physiognomy of the operations on our battlefield are, I think, correct. To some extent I have spoken about them in my study, and I will mention here only some of them:

- 1) It is certain that the explicitly offensive doctrines of the potential aggressors will endeavor to impose a decisive battle [rjesavajuca bitka] from the very beginning of the war process, which is nothing else but, as I have said, one of the variations of the blitzkrieg doctrine.
- (2) Our aim must be to slow down the war process as much as possible, to prevent rapid penetrations deep in our state territory by the aggressor, to inflict losses on him, and to enable the quickest and best possible mobilization of the wartime armed forces and society in general to be carried out. This means that, in opposition to the aggressor's intention to impose a decisive battle on us at the very beginning, we postpone it both in area and in time until we create a relationship of forces favorable to us. The strategic deployment of the armed forces in depth within the area, according to the system of a strategic gridiron [po sistemu strategijske resetke], is also subordinated to a successful strategic interception of the aggressor's first strike and to creation of the necessary prerequisites for successfully waging a more or less determinative battle [odsudna bitka] deep within the state territory, bearing in mind above all the need to ensure the highest possible intensity of combat-effects in a given strategic and operative situation.
- (3) Basically it is a question of an extremely offensive doctrine of conducting war operations, even when we are forced onto the strategic defensive. Followers of the so-called classical school, which allows only the superior side to have the offensive spirit, find it difficult to understand this doctrinal principle of ours. An offensive spirit at all levels--the tactical, the operative, and the strategic--is the condition which enables us to assume the strategic initiative and to go over to decisive battles [odlucujuca bitka].

This approach, which is basically selective in the choice of means and models of strategic operations, I tried to inaugurate in my study, holding that it could influence the forming of our military organization, the system of leadership and commanding, the doctrine of territorial structure, the art of war, training, and all other questions of conduct of war. In searching for an answer to these questions, our doctrine and art of war must solve, among other things, three key problems: (a) a selective and quite specific attitude toward the factors of time and area; (b) to adjust the models of military organization to the possible conditions of operations in all variations of aggression, including the most grave one; (c) to determine the optimum model of strategic commanding in the battlefield.

#### The Entire Territory of the Country a United Operations Basis

Precisely these questions are now at the very center of our attention. In connection with area, the precept is that the entire territory of Yugoslavia is a united operations basis of the armed forces, and that armed struggle and

other aspects of struggle and resistance are waged on the entire territory, regardless of whether the enemy has temporarily occupied it or not. As an ultimate consequence this means that there is no loss of area; area is a constant value considering that combat operations are conducted in it wherever the enemy is present. Depending on general conditions, and primarily on the relationship of military forces, the attitude toward time will be made extremely relative, ranging from the greatest possible slowing down of the war process at the strategic level to the greatest possible acceleration in tactics. In the organization of the armed forces we invent models which will make it possible for us to successfully conduct combat operations in all situations with the least need for their transformation, which to a certain extent will be inevitable. We are trying to organize leadership and command in such a way that its functioning at all levels--from the Supreme Command in the war theater, through the strategic commands in battlefields, to the lowest tactical commands--will be successful, which presupposes unifying the operations of all forces and means, regardless of the part of the armed forces to which they belong (the Yugoslav People's Army or the Territorial Defense). The structure of the system should ensure both centralized commanding and the ability of lower commands to act more or less independently according to the situation. In that context, to a certain extent it is necessary to decentralize supreme commanding, too, without jeopardizing the principle of centralization as the organizational principle, and the principle of gathering together or concentrating forces at the center of gravity as a principle for the functioning of the system of armed forces.

I think that we are well on the way to solving these questions successfully in the immediate future, which would mean a big step forward in adjusting the leadership, commanding, and organizational structure of the armed forces in general to war requirements.

5. [numeral as published] I would also say a few words about defense preparations and society. I will not make it too long, for this was discussed recently on several occasions. I only want to underline that our concept of defense and our doctrine and strategy rest on some basic social prerequisites. Here I primarily have in mind the political unity and internal stability of the country, the brotherhood and unity of our peoples and nationalities, their equality and mutual trust, the efficient functioning of the federation as a federal state and a self-managing community of all working people and citizens, and the peoples and nationalities of Yugoslavia, and above all, the unity of the workers class and its vanguard, the LCY. Of course we must also list here the appropriate technical and technological prerequisites as a condition for the development and production of the material and technical factors of war. However, the biggest link in the chain of our doctrine is the human factor of high quality: motivated, ideopolitically committed to a self-managing SFRY, prepared and trained to fight to preserve its freedom and integrity. The prerequisite for everything, then, is a high defense consciousness of our people, and above all of the young generation, as the basic strength of our defense.

The question arises whether defensive consciousness may behave autonomously under conditions when a number of unfavorable international and internal

ideological, political, and economic factors exert a disintegrative influence on it. Of course it can, up to a certain limit. Although when defense is in question, the defense interest as the highest interest exerts an integral influence on all aspects of society; this effect, nonetheless, is not limitless. We must take into account a negative influence of a number of circumstances which at the present moment characterize our social situation. Unless the shortcomings and problems which we face as a society are more rapidly overcome, they could jeopardize the efficiency of the functioning of our protective defense system.

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POLITICS

YUGOSLAVIA

TRIAL BEGINS FOR 'IRREDENTISTS' IN MACEDONIA

AU111651 Belgrade BORBA in Serbo-Croatian 7 Mar 86 p 12

[Excerpt] Bitola, 6 Mar--The public trial of a group of Albanian nationalists and irredentists has begun before the criminal bench of the Bitola District Court, with Judge Vasil Kuzev presiding. The accused, Tahir Hani (25), Gazim Kaleci (24), Garib Jama (22), Slejman Hani (25), all from the village of Venesta near Struga, are students at Pristina University, and Mersim Selmani (25) is a teacher from the village of Radoviste near Struga.

The charges brought by Nikola Stefanovski, deputy public prosecutor, accuse those mentioned of the criminal act of gathering together for the purpose of hostile activity. The first accused, Tahir Hani, together with seven other members formed an organization--"The Movement for the Albanian Socialist Republic"--back in March 1983. They elected a leadership, with Tahir Hani as secretary. The aim of the group was to proclaim in Yugoslavia the Socialist Republic of Kosovo which would include parts of the SR of Macedonia and of the SR of Montenegro populated by Albanians, and then to annex themselves to the People's Socialist Republic of Albania.

Two years later, in 1985, the first accused joined an illegal organization "the Marxist-Leninists in Kosovo," after which the district committee for Struga was formed in the village of Venesta.

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SOCIOLOGY

GERMAN DEMOCRATIC REPUBLIC

FRG DOCUMENT ASSESSES, QUESTIONS 1984 CRIME STATISTICS

Bonn INFORMATIONEN in German No 3, 14 Feb 86 pp 13-15

[Article: "Developments in the 1984 GDR Crime Rate"]

[Text] Crime in the GDR is said to have declined slightly in 1984 compared with the previous year. Figures published recently in the 1985 GDR Statistical Yearbook make it appear that way. The total number of punishable offenses for 1984 are shown to be 119,125. This indicates a 2.9 percent reduction over 1983 as well as a lower total than for 1982, which, at 120,275 punishable offenses, has been called the lowest in the history of the GDR. This statistical reduction in the number of crimes committed becomes relative however, due among other things to the fact that the number of perpetrators (93,504) has dropped by only about 1 percent over the previous year; this however places it still above the relatively low figure for 1982 (92,447). While the number of convictions (66,607) is 3.1 percent lower than that of the year before, no punishment was given to 4.4 percent of the perpetrators--as compared with 4 percent the previous year. In addition, the number of perpetrators remanded to civil courts (24.3 percent) has increased by 1.1 percent over the previous period.

The GDR penal code is very flexible in categorizing a criminal action as a punishable offense. Paragraph 3 of the penal code states that there is no punishable offense if: -"the action, while nominally violating the law, has no insignificant impact upon the rights and interests of individuals or society as a whole."

Thus the statistically indicated reduction in the number of punishable offenses does not necessarily signify a concomitant reduction in criminality. More meaningful statements cannot be made unless there will be a further reduction in the number of punishable offenses published in subsequent annual statistics, or if at least it does not again increase as it did in 1983.

As has been the practice in previous years, the GDR breaks down only a part of the crimes for 1984. These 25 individually designated punishable offenses or groups of punishable offenses constitute 82.7 percent of the grand total of crimes (in 1983, the figure was 78.6 percent); thus 17.4 percent of offenses is not further categorized (in absolute numbers: 20,630 offenses), among them negligent homicide, negligent injury and other offenses against

human life and health; domestic disturbance; insult and slander and other violations of human freedom and dignity; other criminal acts against young people and families; damage to "socialist property;" property damage and other violations of public safety, etc.

Not further broken down either in the statistics are crimes against the GDR (crimes against the state) and the major portion of violations of state and public order. The last two groups of crimes largely constitute the GDR's political penal code. This includes such crimes as the gathering of information, treasonous transmittal of information, treasonous activity as a foreign agent, inciting against the state, illegal border crossing, interference with state or societal activities, establishment of illegal communication and public defamation.

The main reason for secrecy about political offenses may lie in the fact that such information would provide partial insights into the internal condition of the system in power. Western intelligence information permits the conclusion that during 1984 the share of political verdicts in the GDR, including those for efforts to emigrate, increased over prior years. The West identified more than 3,100 crimes of a political nature, or 2.6 percent of the overall total. Here we must however take into consideration a considerable number of estimated figures, since experience with the GDR indicates that a number of such crimes do not become public knowledge until years later or not at all. Among political sentences, the crime of "illegal border crossing" (attempted defection from the republic) alone accounts for about 25 percent of all cases. The accusations of "interference with state or societal activities" and "establishment of illegal communication" account for roughly 50 percent of political guilty verdicts.

The general reduction in criminality indicated by the statistics obviously impacts the individually listed offenses. Theft has for many years been at the top of GDR criminal statistics. Its share of overall criminality is presently 42.3 percent and has thus increased from the prior year by 0.6 percent; this increase may be explained by the fact that reduction in theft is not proportional with the general reduction in criminality. The GDR differentiates between theft of "socialist property" and theft of personal and private property. For "socialist property" theft, there is a reduction of 4.2 percent; however, for theft of personal and private property there is a slight increase of 0.75 percent. Furthermore, the reduction in theft of "socialist property" does not permit the conclusion that offenses against "socialist property" have generally diminished, since there has been a 6.4 percent increase over the previous period in fraud and embezzlement involving "socialist property."

The share of theft of "socialist property" of overall criminal acts in 1984 amounted to 17.8 percent and thus hardly underwent any change over the previous period (18 percent). Theft of private property in 1984 amounted to 24.5 percent of the total, an increase of about 1 percent over the prior year. Compared with the 1983 figures for theft of personal and private property there is an increase of 0.75 percent.

Among the individually categorized offenses against property are fraud and embezzlement of "socialist" as well as private property. Their share of overall criminality has risen over the previous period by 0.55 percent, to a total of 6.55 percent. The rate of increase for fraud and embezzlement of "socialist property" was 6.4 percent, for personal and private property, 2.4 percent.

There has been practically no change in the share of bodily injury offenses in the total criminality figure: 9.03 percent versus 9.14 percent for 1983. However, in absolute numbers, there is a reduction of 4 percent over the previous year's figures. Additional reductions from the prior year's figures occurred for the following crimes or groups of crimes:

- premeditated murder (-16.5 percent); rape (-5 percent); robbery and blackmail (-3.8 percent); causing a major traffic accident (-9 percent); DWI (-10 percent); resisting state authority (-12.3 percent); rowdiness (-0.5 percent); favoritism and receiving stolen goods (-2.1 percent); counterfeiting (-4.6 percent).

However, there have been percentage increases in the following: failure to pay alimony (+28.5 percent); violation of educational decrees (+2.7 percent) and violation of regulations concerning health and work safety (+4.7 percent). Sexual abuse of minors rose out of proportion by 21 percent, but sexual abuse of children declined by 2.2 percent.

As in the previous period, crime rates showed considerable variation in individual districts and East Berlin. However, a more or less pronounced decline of documented offenses per 100,000 inhabitants is shown in East Berlin and in all districts except for Potsdam, Erfurt and Gera. The decline ranges between 1.3 percent for Magdeburg and 6 percent for Neubrandenburg. In the Erfurt and Gera districts the number of criminal offenses remained practically stable. The Potsdam district is the only one showing an increase (about 0.7 percent). This places the Potsdam district in second place with a crime rate of 891 documented criminal offenses per 100,000 inhabitants. The year before this district was in fourth place; however, it was not far different from the Frankfurt/ Oder and Neubrandenburg districts. First place still belongs to East Berlin with 992 offenses per 100,000 inhabitants. Here however there is a decline of more than 3 percent. East Berlin thus roughly equalled its 1982 status.

Apart from Potsdam, the following districts have a relatively high crime rate: Frankfurt/Oder, 884; Schwerin, 865; Neubrandenburg, 844; Rostock, 810; Magdeburg, 782. There is a significantly lower number of criminal offenses per 100,000 inhabitants in the following districts: Leipzig, 738; Halle, 714; Suhl, 648; Cottbus, 636 and Erfurt, 614. Dresden, with 534 and Gera (529) are at the low end of the scale. This sequence is essentially similar to that of the last few years.

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